The Clayoquot Green Economic Opportunities Project

Taking Steps Towards A Conservation Economy

VOLUME ONE
FINDINGS AND RECOMMENDATIONS

Note: this version of the report was modified to collate chapters within one file, to shrink memory requirements, to address instabilities within the Microsoft word document, and to address inconsistencies in use of the terms “section” and “part”. Page numbers will not match with the original; there are small unintentional changes in captions and formatting and potentially other errors. The original authors have not approved these changes and users may wish to check against the original document where details are critical.

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Prepared For:
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2003

This research report is intended to benefit tribal, municipal, and provincial decision-makers, entrepreneurs, “green” investors and funders who are interested in crafting a sustainable economy in Clayoquot Sound. It provides tangible information for integrating socio-economic needs into conservation decision-making and for attracting investment.
Acknowledgements:

The authors would like to acknowledge those community members in Tofino, Ucluelet, Opitsaht and Ahousaht who agreed to share their business information, sector and traditional knowledge and insights with us. These people made the project possible, made the results relevant and, we hope, helped to ground the recommendations in some reality.

We would also like to thank those organizations that contributed significant in-kind support to ensure the completion of this project. It would not have happened without them.

Finally, thank you to the members of the Ahousaht community, who welcomed us, worked with us on this project and had the patience, once again, to tell their story.

Funding provided by:

The Clayoquot Biosphere Trust provided funding for this project. Support-in-kind was provided by Ecotrust Canada, Friends of Clayoquot Sound, Simon Fraser University Community Economic Development Centre and Ahousaht First Nation.

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Region of Interest for this Study:

This study focuses on economic opportunities in the Clayoquot Biosphere Region as defined by the UNESCO Biosphere designation. This region includes the core region of Tofino, Ahousaht, Tla-o-qui-aht and Hesquiaht\(^1\) as well as the communities of Ucluelet, Ittatasoo (Ucluelet First Nation\(^2\)) and Macoah (Toquaht Nation).

\(^1\) Hesquiaht and Tla-o-qui-aht are not signatories to the Biosphere agreement at this time
\(^2\) Ucluelet First Nation also has some traditional territory within the reserve itself
EXECUTIVE SUMMARY & RECOMMENDATIONS

a. Background: In the fall of 2002 Friends of Clayoquot Sound proposed to Clayoquot Biosphere Trust a project to research opportunities for conservation-based economic development in Clayoquot Sound. One of five projects supported by the Trust in 2002, Friends of Clayoquot Sound formalized a partnership with Ecotrust Canada and Simon Fraser University’s Community Economic Development Centre to conduct the research.

The goal of the research project was to provide a list of conservation-friendly small business opportunities that are: viable, increase community employment to levels more closely resembling national rural averages, provide alternatives to activities which threaten biological diversity, and lead towards an environmentally responsible economy in Clayoquot Sound.

Given that social equity is a key goal of sustainable development and that rural, First Nations communities within the region have not benefited significantly from the resource extraction economy the study was designed to focus specifically on opportunities appropriate for these communities. An agreement was developed with Ahousaht First Nation to allow the research team to examine economic opportunities with a particular emphasis on those that might best support the needs and priorities of their community.

The work with Ahousaht, to plan and develop appropriate economic activities for their community and membership, continues beyond the conclusion of this research report.

The research and report is intended to benefit tribal, municipal, and provincial decision-makers, entrepreneurs, “green” investors and funders who are interested in crafting a sustainable economy in Clayoquot Sound. It provides tangible information for integrating socio-economic needs into conservation decision-making and for attracting investment. It is our hope that report findings will help allay fears of a transition to a sustainable economy; fears that present barriers to change and to harnessing the amazing opportunities offered by the region’s natural, economic, social and cultural wealth. This report challenges the region and its community leaders to meet their commitment as a UNESCO Biosphere Reserve and to pursue these opportunities in a manner that protects options for future generations of Clayoquot residents.

b) Report Layout

The report is presented in two volumes.
Volume One includes:
• a summary of the project, its genesis, methods and objectives
• the definition of sustainable community development
• a critique of the Clayoquot Biosphere Regions ‘readiness’ to embark on a greener economy
• a summary of the sectors that were identified as appropriate
• a series of recommendations for action that will, if implemented, move the region closer to realizing its stated objective of becoming a conservation economy
• a demographic analysis of the communities that comprise the Biosphere Region

Volume two of the report, bound as a separate document, contains detailed information about thirteen sectors that the authors believe could form the foundation of a conservation economy for this region. Each sector analysis includes:
• the historical and current context of the industry,
• the relevance of this industry for the Biosphere Region,
• an analysis against the SCED screening criteria and
• a summary including opportunities for action.

c) What is Sustainable CED?
Sustainable CED is about creating an economy that maximizes local control of processes and resources while making a positive contribution to the natural environment, social equity and quality of life. In the Clayoquot Biosphere Region, achieving sustainable CED has the added dimension of respecting and supporting the traditions and objectives of the Nuu-chah-nulth people.

d) Critique of the Landscape for SCED in the Biosphere Region

The UNESCO Biosphere designation in 2000 issues a challenge to the Clayoquot Biosphere communities to actively engage in the development of an economy that embodies these values and is a model for the world.

The challenge is not to pursue just any economy, and the jobs and revenues it provides, but to use this opportunity to create an economy that speaks to agreed upon long-term values of ecological sustainability, social equity, economic well-being and a recognition of the inherent rights of the region’s First peoples.

e) Opportunities for Success

Unlike most coastal communities in British Columbia, the Clayoquot Biosphere Reserve communities have some unique attributes and advantages that can work in their favor as they move towards a more diversified and sustainable economy. But it also has some barriers that are the result of history and geography. The research clustered these strengths and weaknesses into the following categories.

<table>
<thead>
<tr>
<th>Factors Working in Favor of the Region</th>
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<tbody>
<tr>
<td>There are four important ingredients that will assist the Clayoquot Biosphere Region to achieve its vision:</td>
</tr>
<tr>
<td>• A creative, talented and committed population</td>
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<td>• A world-renowned and scientifically important ecosystem</td>
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<td>• Access to a ready market and ready money</td>
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<td>• The opportunity to increase local control over adjacent resources through treaty settlement</td>
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**Potential Barriers to Success**

Directing the development of a community economy requires not only an identification of community strengths and assets but also a candid assessment of barriers and a commitment to clear them out of the way. The barriers identified in this research for the Clayoquot Biosphere communities can be summarized in five key ‘issues’:

- Human resource capacity
- Community relationships
- Infrastructure limitations
- Financing challenges
- Governance changes, both municipal and tribal

**f) Sectoral Analysis of Opportunities**

A total of 13 green industry sectors with potential for the Clayoquot Biosphere region have been identified. For each, a preliminary analysis of industry characteristics and trends (local and provincial), opportunities and barriers/challenges was undertaken. Finally, we assessed each sector according to established criteria for sustainable CED. This assessment is summarized below according to six key criteria: employment creation, wealth generation (profitability), investment required, opportunity and suitability for development in Nuu-chah-nulth communities, leadership in the region and ecological benefit.

Assessment findings show the following sectoral opportunities, in order of priority, to be the best ‘fit’ with SCED criteria and also to have the highest potential chance of developmental success in the region: shellfish, arts and culture, value-added wood manufacturing and green products and services. Fisheries, green energy and, in some categories, research and education also ranked highly. While fisheries (and other resource sectors) face barriers related to government policy and green energy high levels of required investment the authors feel that over time these opportunities can also be realized. A successful SCED strategy will combine several of these sectors of opportunity with capacity building measures that address barriers to development in the region.

**g) Results and Recommendations:**

In achieving the designation of the Clayoquot Biosphere Region the Clayoquot communities defined their ideal future, a future that provides ecological, social and economic sustainability. The findings of this report set the stage for developing the economic component of this vision.

This report is a foundation piece that pulls together the available research and information relating to 13 sectors of opportunity that we believe could constitute the region’s conservation economy.

The report addresses the following questions:
What is the context for development in the region?
What are the opportunities appropriate for development in the Biosphere Region?
What are the challenges faced in pursuing these opportunities?

The region now has to decide if and how they chose to capitalize on these opportunities. This information can be used by individual businesses, sector-by-sector, community-by-community or by the Clayoquot Biosphere region as a whole. Economic planning is important at each of these levels. The Biosphere Reserve region does not have a plan for developing a conservation economy. We believe this is essential if the mission of sustainability in the region that the designation sets out is to be achieved.

Based on our finding elements of such a plan should include:

1. Establish incentives for greener business
2. Reflect conservation economy objectives in community planning and decision-making
3. Develop a tourism strategy for the biosphere region
4. Encourage the return of value-added processing industries
5. Establish a research and education agenda
6. Design education and training programs that develop skills appropriate to the ‘new’ economy
7. Continue to assert community rights to adjacent resources
8. Encourage and reward green building design/construction and the use of energy saving and waste reducing alternative technologies
9. Conduct a region-wide industrial waste audit as the basis for planning for business development in this sector
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Project Background, Parameters, Research Methods  

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1.1 Introduction

In the fall of 2002 Friends of Clayoquot Sound proposed to Clayoquot Biosphere Trust a project to research opportunities for conservation-based economic development in Clayoquot Sound. One of five projects supported by the Trust in 2002, the purpose of the Green Economic Opportunities Study was to provide information that would facilitate a transition strategy towards a sustainable economy in accordance with the conditions of the Clayoquot UNESCO Biosphere Reserve designation. The designation states:

The Clayoquot Sound Biosphere Reserve will address the Statutory Framework’s three functions of conservation, development and logistical support in the following manner:

a) Conservation – contribute to the conservation of landscapes, ecosystems, species and genetic variation
b) Development – foster economic and human development which is socio-culturally and ecologically sustainable
c) Logistic support – support for demonstration projects, environmental education and training, research and monitoring related to local, regional national and global issues of conservation and sustainable development.

This project speaks specifically to item (b) socio-culturally and ecologically sustainable development.

Seeking expertise in the field of conservation-based economic development Friends of Clayoquot Sound formalized a partnership with Ecotrust Canada and Simon Fraser University’s Community Economic Development Centre, with Ecotrust contributing substantial in-kind resources. It was further determined, given that social equity is a key goal of sustainable development and that rural, First Nations communities within the region have not benefited significantly from the resource extraction economy, that the study should focus on opportunities appropriate for these communities. An agreement was developed with Ahousaht First Nation that would allow the research team to examine economic opportunities with a particular emphasis on those that might best support the needs and priorities of their community. The work with Ahousaht, to plan and develop appropriate economic activities for their community and membership, will continue beyond the conclusion of this project thanks to the generous financial support of Ahousaht First Nation and Nuu-chah-nulth Economic Development Commission.

The goal of the research project was to: provide a list of conservation-friendly small business opportunities that are viable, provide avenues to increase community employment levels to more closely resemble national rural averages and lead towards an environmentally responsible economy in Clayoquot Sound.
The research has gone one step further. In addition to identifying potential industries and businesses that meet the ‘green sustainability’ criteria, the findings in this report analyze barriers to regional development and propose steps that need to be taken to realize these opportunities.

The research and report is intended to benefit tribal, municipal, and provincial decision-makers, entrepreneurs, “green” investors and funders who are interested in crafting a sustainable economy in Clayoquot Sound. It provides tangible information for integrating socio-economic needs into conservation decision-making and for attracting investment. It is our hope that report findings will help allay fears of a transition to a sustainable economy; fears that present barriers to change and to harnessing the amazing opportunities offered by the region’s natural, economic, social and cultural wealth. This report challenges the region and its community leaders to meet their commitment as a UNESCO Biosphere Reserve and to pursue these opportunities in a manner that protects options for future generations of Clayoquot residents.

1.2 Study Approach and Methodology

What is Sustainable Community Economic Development?
Sustainable economies are built through sustainable or “green” community economic development (CED) initiatives.

According to the SFU CED Centre, CED is “a process by which communities can initiate and generate their own solutions to their common economic problems and thereby build long-term community capacity and foster the integration of economic, social and environmental objectives”. CED emphasizes local involvement in, and control of, the development process. As an alternative development approach it gives precedence to the interests of communities over those of consumers or shareholders, the drivers of conventional economic development.

Sustainable CED combines the principles of sustainable development and CED. It emphasizes the realities of the natural world (limitations on our ability to utilize the environment as a supplier of resources and as an assimilator of human-generated wastes), along with local social, cultural and economic realities brought into the development process through meaningful
participation. The overall goals of sustainable CED are ecosystem and community health. These goals are achieved through economic development initiatives that strive to create greater local self-reliance and economic diversity, maximize efficiency of resource use and recognize the holistic nature of economies and ecosystems.

Creating a sustainable economy in Clayoquot Sound has additional dimensions. The region’s history, population and relationship to the land demands development that is culturally appropriate and that incorporates both formal and informal (non-cash) components of the economy. This contrasts mainstream development approaches that often jeopardize local subsistence economies and ways of life.

Finally, sustainable CED (SCED) must address equity within current and future generations. Sustainable development addresses basic human needs as one of its key concepts, in particular of the poor, as well as limitations of the environment’s ability to meet those needs today and in the future.

1.3 Screening Criteria
To assist with the assessment and analysis of a wide range of economic development opportunities, the research team developed a set of criteria that was used as a ‘screen’ to measure economic opportunities against each other and against the ‘ideal’ of a sustainable community economic development model. Each opportunity (as detailed in Part Two of the report) concludes with a summary of potential and an assessment against these criteria. Table 1 (following page) describes the screening criteria in more detail.

The research team looked at the economic opportunities from two distinctly different perspectives. First, from the perspective of sectoral opportunities, including information about growth, viability and potential relevance or ‘fit’ of each with the local communities in the Clayoquot Biosphere Region. Second, opportunities were examined from the perspective of overarching issues specific to the region that may impact on their real-time viability.

While it is the position of the authors that with a clear and consistent regulatory framework, best practices in environmental management and increased local control both logging and finfish aquaculture could be conducted sustainably, these activities are excluded from the study. Both sectors are highly controversial in the region and the subject of numerous studies and planning/dialogue processes. Therefore, we have chosen to focus on other (less talked about, even neglected) areas of the economy. Recognizing the historical and current importance of the forestry and aquaculture sectors to the local economies of the region, we encourage the deepening of dialogue and further exploration of the ways and means to bring these industries ‘into line’ with a sustainable community economic development (SCED) model.

“Millenia before the words ‘sustainable development’ gained vogue, Nuu-chah-nulth people had fully embraced the concept. They had to. It’s what kept them alive (NTC).”
Table 1

<table>
<thead>
<tr>
<th>Environmental Criteria</th>
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<tbody>
<tr>
<td>• Does not threaten biological diversity</td>
</tr>
<tr>
<td>• Utilizes renewable resources at sustainable rates of harvest</td>
</tr>
<tr>
<td>• Produces materials that can be assimilated, recycled or reused by either natural or industrial systems</td>
</tr>
<tr>
<td>• Contributes to ecosystem restoration or protection, improves status quo environmental practices</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Economic Criteria</th>
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<tbody>
<tr>
<td>• Provides long-term economic self-sufficiency/viability</td>
</tr>
<tr>
<td>• Maximizes local job creation and economic benefits</td>
</tr>
<tr>
<td>• Requires realistic levels of investment</td>
</tr>
<tr>
<td>• Has neutral or positive impact on the informal economy</td>
</tr>
<tr>
<td>• Maximizes efficiency of resource use</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Social Criteria</th>
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</thead>
<tbody>
<tr>
<td>• Maximizes local benefits, participation and control</td>
</tr>
<tr>
<td>• Maximizes opportunities for women, youth, First Nations, rural areas – people typically marginalized from mainstream economies</td>
</tr>
<tr>
<td>• Fosters cooperation vs. conflict</td>
</tr>
<tr>
<td>• Involves fair working conditions</td>
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<td>• Enhances community capacity</td>
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<table>
<thead>
<tr>
<th>Cultural Criteria</th>
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<tr>
<td>• Culturally appropriate (as determined by participating First Nations)</td>
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<tr>
<td>• Contributes to cultural sustainability</td>
</tr>
<tr>
<td>• Recognizes First Nations rights and title</td>
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</table>

1.4 Strategies for Implementing a Sustainable Economy

The research project not only focussed on what sectoral opportunities may be available to the region now and in the future, but also what the region can do in order to maximize its’ overall movement towards a sustainable economy.

CED is a combination of principles, process and action. Strategies represent a key link between planning and action, a way of pursuing the goals and objectives established in a CED planning process. Strategies should be selected that are appropriate to a community’s aspirations and abilities. Every community has particular strengths, weaknesses and concerns that will determine which strategies are best suited to their
Within each strategy a number of specific initiatives can be undertaken. For example, as part of an overall strategy to encourage new business development, communities may choose to create a business incubator facility or provide business support and mentorship services. Communities (see Table 2) have employed many different strategies for economic renewal and enhancement of community well being. The list of strategies provided is not comprehensive but does illustrate the variety of CED initiatives that are possible. Strategies and initiatives recommended for developing a sustainable economy in Clayoquot Sound are presented in Section Four.

<table>
<thead>
<tr>
<th>Table 2</th>
<th>Strategic options for CED</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Plug the leaks (outflow of resources)</td>
</tr>
<tr>
<td>2.</td>
<td>Initiate and encourage new enterprises (business and social entrepreneurship)</td>
</tr>
<tr>
<td>3.</td>
<td>Support and improve existing enterprises/business retention</td>
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<tr>
<td>4.</td>
<td>Develop human resources</td>
</tr>
<tr>
<td>5.</td>
<td>Encourage work sharing arrangements</td>
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<tr>
<td>6.</td>
<td>Strengthen the informal economy</td>
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<tr>
<td>7.</td>
<td>Recruit compatible businesses from outside of the community</td>
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<tr>
<td>8.</td>
<td>Increase local ownership of businesses and resources</td>
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<tr>
<td>9.</td>
<td>Develop required physical infrastructure</td>
</tr>
<tr>
<td>10.</td>
<td>Improve environmental management of local organizations, institutions, firms</td>
</tr>
<tr>
<td>11.</td>
<td>Increase community involvement in natural resource management</td>
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<tr>
<td>12.</td>
<td>Restore the local environment</td>
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<tr>
<td>13.</td>
<td>Undertake other quality of life improvements (e.g. health, social, recreational amenities)</td>
</tr>
<tr>
<td>14.</td>
<td>Celebrate local identity and culture</td>
</tr>
<tr>
<td>15.</td>
<td>Create sectoral development strategies (e.g. tourism, high tech)</td>
</tr>
<tr>
<td>16.</td>
<td>Develop local mechanisms for financing CED</td>
</tr>
</tbody>
</table>

Successful SCED will combine and integrate several of these selected elements.

1.5 Research Methods

Information for this report was gathered through:

- a review of previous studies and documents from the region,
- interviews with more than 50 representatives of local municipalities, First Nations, economic and community development organizations and entrepreneurs (see Appendices)
- a brainstorming session at the November 2002 Science Symposium,
- market research and analysis, and
- external case study research.
Steps to build community awareness of the Project included a CBT Science Symposium presentation in 2002, an article in the Westerly News and letters describing the project and inviting key agencies to participate.

A series of meetings and discussions were held with hereditary chiefs, elected Chief and council, staff and community members of Ahousaht. Two Ahousaht researchers were hired on contract to assist with the research, one of whom has expressed an interest in continued education and work in the field of community economic development. Information sharing agreements were signed with Ma-mook Development Corp. and Ahousaht.

1.6 Report Layout

The report is presented in two volumes.

**Volume One** includes:
- a summary of the project, its genesis, methods and objectives
- the definition of sustainable community development
- a critique of the Clayoquot Biosphere Regions ‘readiness’ to embark on a greener economy
- a summary of the sectors that were identified as appropriate
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- an analysis against the SCED screening criteria and
- a summary including opportunities for action.
SECTION TWO
CRITIQUE OF THE LANDSCAPE FOR ECONOMIC DEVELOPMENT

Communities have two choices with respect to their economic position, and therefore their community well being. Either they organize to shape the kind of economy they want or they find themselves reacting to economic forces imposed from elsewhere. Recent history demonstrates that the latter has been the most common scenario in coastal BC. When fishing and logging collapsed these communities were not prepared with an alternative strategy. They have been struggling to regain economic equilibrium ever since.

Tofino was exempted from the position of other communities to some extent because of a tourism boom that grew, in large part, out of the controversies of the 1980s and 90s. While on the surface this appeared to be a solution, residents and community leaders now recognize their continued vulnerability. A tourism-dependent community is still a one-resource town. Tofino continues to be in a reactive mode with respect to its economy.

Ucluelet and some of the First Nations communities have benefited to a lesser extent from the tourism boom. These communities have had a harder struggle and as a result have moved into more of a proactive economic development approach. The challenge is not to pursue just any economy and the jobs and revenues it provides, but to use this opportunity to create an economy that speaks to agreed upon long-term values of ecological sustainability, social equity, economic well-being and recognizes the inherent rights of the region’s First peoples.

The UNESCO Biosphere designation in 2000 issues a challenge to the Clayoquot Biosphere communities to actively engage in the development of an economy that embodies these values and is a model for the world.

Our research has revealed a number of factors that will help the region achieve their vision. It has also identified both sector-specific and overarching issues that must be attended to because they represent very real barriers to success.

2.1 Key Factors Working in the Region’s Favor:

There are four important ingredients that will assist the Clayoquot Biosphere Region to achieve its vision.

- A creative, talented and committed population.
More than 50% of the population have been here for generations. Their attachment to the place is unwavering and they are deeply committed to ensuring these communities are healthy and vibrant for their children and their children’s children. Newcomers to the region are choosing the place because of the values embodied here, expect to see them realized and are willing to contribute time and energy to that dream. This kind of “people
"power" is a huge asset to any kind of community economic development initiative. The development of innovative solutions such as Iisaak and the West Coast Vancouver Island Aquatic Management Board are a testament to leadership and commitment.

•  **A world-renowned and scientifically important ecosystem**
A globally unique natural environment of the region offers incredible economic opportunities. Rich natural resources, managed appropriately, provide natural capital that can sustain communities in perpetuity. By 2008, with proper stewardship, oyster and clam production alone is expected to contribute more than $5.5 million per year to the local economy. Tourism revenues, based primarily on the attraction of the area’s natural environment, already top $100 million per year.

•  **Ready market and ready money**
Whistler is the only other local BC economy that has a similar level of local access to the global marketplace – a market with significant disposable income. The monetary wealth created in the region, at least in the short to medium-term, can be channeled toward long-term solutions. No other rural coastal community has this level of resources to work with. At this time, with the exception of this year’s voluntary $10 tax initiative\(^3\), there are no mechanisms for directing a portion of this wealth to long-term community capacity building.

•  **Increasing local control over resources and development**
Lack of local access to adjacent natural resources has been a major barrier to economic development in the region. Progress has been made in recent years, however, largely due to the confirmation of Aboriginal rights and title in the courts and subsequent treaty negotiations. Settlement of treaties will provide an new opportunity to redefine the relationship between communities and their access to adjacent natural resources, benefiting all communities of the region in the process.

A second impetus for change in this direction is the gradual devolution of authority to municipal and tribal governments. While this change is driven by fiscal rather than philosophical considerations, it provides opportunities to design more locally appropriate policies and programs.

### 2.2 Barriers to Success

Directing the development of a community economy requires not only an identification of community strengths and assets but also a candid assessment of barriers and a commitment to clear them out of the way. The barriers identified in this research for the Clayoquot Biosphere communities can be summarized in five key ‘issues’:

•  **Human resource capacity**
Being committed to a vision doesn’t equip a community to get the job done. Each community has its own human resources challenges. Nuu-chah-nulth communities are

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\(^3\) Recommended in the 2003 Insider’s Guide to Tofino.
faced with significant social challenges as a result of years of denigration. Very real issues of substance abuse and other significant health and social issues, including diabetes, teen pregnancy, heart problems and HIV/AIDS. Government dependency as well as cultural and community obligations make it complex to successfully integrate First Nations into the “traditional” labour force.

For all Clayoquot communities education levels are below provincial averages. Further, while local residents are often highly skilled, there is not necessarily a good match between these skills and the needs of a new, more diverse economy. In order to succeed, these communities need to complete a candid skills assessment and plan for the building of new skills that are appropriate to their chosen economic direction.

In the small and independent business community there is limited attention paid to the development of a marketing strategy. At this time the success of small business is largely dependent on the marketing activities of larger businesses. This characteristic is partly a function of funding and partly a function of preference, skills and temperament.

Yet another issue is labour force reliability and mobility. The seasonal nature of the tourism economy has brought a new kind of employee to the region. Made possible by high labour demand in Tofino these employees often do not have high levels of employer or community loyalty. Developing a long-term labour force is made more difficult with high housing costs.

Finally, as in any small community, there are a handful of individuals who carry a tremendous leadership load. After more than two decades of struggle many of these leaders are burnt out and disillusioned. For the Nuu-chah-nulth the tasks of building outside relationships and negotiating treaties over-and-above managing their own internal affairs are onerous and stretch their capacity to the limit. For both Native and non-Native leaders this is a barrier to proactive economic development.

. **Community relationships**

There are many areas of economic opportunity that can only be capitalized on if there is regional cooperation. For instance, a business utilizing industrial waste is only viable with regional volumes of supply. The same can be said for a shake and shingle mill. Current efforts to promote tourism in one community are often at the cost of another, when collaborative marketing could benefit both. This region does not have a strong history of cooperation for economic development. Lines are drawn all too easily based on history, family, philosophy and jealousy between Native/non-Native, Ucluelet-Tofino, and Nation to Nation factions. As a result many opportunities are lost and quality of life in the region is reduced. In the Clayoquot Biosphere region one of the keys to breaking

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down these relationship barriers is an acknowledgement of inequity and a willingness to address it.

- **Infrastructure limitations**

Probably the most evident barrier and the one that has received the most attention if not the most action in recent years is lack of community infrastructure. The list of infrastructure challenges in Tofino includes: sewage treatment, water storage, parking (for both visitors and offshore residents), affordable housing, commercial/retail space.

Housing shortages and adequate solid and liquid waste treatment issues are significant in First Nations communities. Ucluelet also has limited sewage treatment, a limited recycling program and deteriorating marine infrastructure. The safety and condition of the roads are another concern. The distance to the West Coast from major markets and the high costs of transportation are factors that have to be taken into account in the development of any new businesses. Improvements to Highway 4 being considered would help alleviate this problem to a limited extent.

Finally, communications infrastructure (e.g. highspeed Internet) has been a business barrier in the region. Current initiatives are underway to address it. As with all rural communities infrastructure, however, management issues are particularly hard to grapple with because of the limited tax base and huge costs associated with improvements. Currently the huge influx of summer visitors to the Clayoquot Biosphere region taxes available infrastructure beyond its capacity but does not make a comparable contribution to infrastructure development.

- **Financing load**

In addition to the challenges of financing infrastructure, businesses face financial management issues associated with a seasonal economy. Businesses have four-five months to cover a year’s worth of expenses. This is particularly problematic in areas with high real estate and commercial lease costs (Tofino and increasingly Ucluelet). The always-difficult challenge of financing small business start-up is amplified in a region that can’t show year-round cash flow. Initiatives to create a twelve-month economy are essential.

- **Governance changes**

The final set of critical barriers revolves around questions of governance, both locally and at senior government levels. Municipal and tribal governments are being asked to take on an increasing number of functions as senior governments and institutions ‘download’ their programs and services. This increased responsibility comes without adequate training or timelines to adjust. Staffing levels at the local level are often insufficient to manage the new workloads and the challenges of economic development are often forced into a secondary position behind issues of seemingly more pressing urgency.

In Tofino and Ahousaht there is not designated economic development capacity. In Ucluelet an economic development agency has been created (UEDC), but responsibility rests with an already busy financial manager. Ecotrust Canada, Tla-o-qui-aht Economic
Development Corporation, a recently approved NTC shellfish corporation, Ma-mook Development Corp. and others organizations, however, bring staff resources for CED to the region (see p. 35 for a list of relevant agencies). Where economic development capacity does not exist, research on economic development options is limited and business support and recruitment efforts minimized.

First Nations governments are also faced with the complex task of reconciling more than one governance system within their communities. The complexity of hereditary and band council structures, and the shifting relationships between them, can undermine some economic development initiatives and make it more difficult for private sector partners to engage.

Yet another challenge for business development is the confusing web of regulations and jurisdictions that exists at the level of senior governments. Small businesses and local development agencies find themselves taxed in terms of time, money and knowledge in their attempts to ‘clear the way’ for new initiatives at the community level. In each of the sectors examined for this project this issue was repeatedly raised. It is no ones role in government to focus on ways to rationalize regulations to assist small business. There is no small business strategy and no rural policy to bring the various strings together and facilitate community-based development. This can be particularly difficult for new industries that governments know little about and have reduced capacity to address. The lengthy timelines to bring underutilized fisheries species on-line for commercial harvest is an example.

Finally, governments generally do not acknowledge social or cultural criteria in designing policies that effect rural areas (e.g. market-based fiber or fisheries allocations). The three-year WCVI Aquatic Management Board pilot program repeatedly points to the importance of driving decision-making and management control down to the community level to ensure that local knowledge and commitment to sustainable use are integrated into planning.

2.3 Maximizing Opportunity

Whether a single business operator or an entire region that is faced with economic challenges, the means of getting to a more positive position are the same – Understand what is working for you and what is working against you, maximize your strengths, minimize your weaknesses and develop an action plan for clearing obstacles out of the way. The preceding section has identified both strengths and challenges to be addressed in developing the Clayoquot economy.
3.1 Sectoral Analysis of Opportunities

A total of 13 green industry sectors with potential for the Clayoquot Biosphere region have been identified. For each, a preliminary analysis of industry characteristics and trends (local and provincial), opportunities and barriers/challenges was undertaken. Finally, each sector was assessed according to the criteria of sustainable CED. This assessment is summarized below according to six key criteria: employment creation, wealth generation (profitability), investment required, opportunity and suitability for development in Nuu-chah-nulth communities, leadership in the region and ecological benefit.

These figures demonstrate that opportunities exist in each of the 13 sectors examined. Examination of job potential demonstrates that, with a commitment to SCED and concerted effort, more than 280 new jobs could be created in the green economy over the next five years. Over the longer term the potential is significantly higher. Already these sectors employ more than 500 residents.

![Employment Chart](chart.png)

**Ed Note:** The graph to the left illustrates the potential for new jobs created as a result of industry development in each of the sectors examined. The blue bars show current employment levels, red a projection of potential new jobs in the next 5 years and yellow the long term potential of new jobs in the sector.

In this graph each unit represents an estimated 10 jobs (e.g. blue bar shellfish shows 80 current jobs).

Shellfish aquaculture, new fisheries, cultural and ecotourism, research and education and the arts in particular offer short and long term job creation potential.
Ed Note: Wealth creation refers to an estimate of the profit over expenses that can be returned to the community from activity in each sector. The scale does not suggest a dollar amount, but rather relative profitability.

The scale used is as follows:

Very High (low investment, high margins or high investment and very high revenue) - 10
High - 8
Moderate – 6
Low - 4
Very Low (break-even) - 2

Ed Note: First Nations opportunity is intended as an assessment of the interest Nuu-chah-nulth communities have demonstrated in each of these sectors, their access to these opportunities and an assessment capacity assuming that, where needed, training can build required skills.

The scale 1-10 is used where

High (10) = Interest expressed by First Nations, appropriate given capacity assessment, resource access/potential under treaty
Low (1) = No interest expressed, no capacity to pursue
**Investment Requirements**

The graph on the left shows the level of investment required in each sector for business start-up.

The scale assumes the following:

- **Very High (10)**: Over $750,000
- **High (8)**: $201 – $750,000
- **Moderate (6)**: $51,000 – $250,000
- **Low (4)**: $11,000 – $50,000
- **Very low (2)**: $10,000 or less

**Ed Note**: The graph on the right to demonstrate ecological values assumes the following criteria:

- **Very High (10)**: Makes significant positive contribution to the environment
- **High (8)**: Improves efficiency of resource use
- **Moderate (6)**: Raises awareness and appreciation of the environment but doesn’t do anything directly to enhance or protect it
- **Low (4)**: contributes by providing an alternative to environmentally harmful practices
- **Very low (2)**:
An analysis of the findings illustrated above shows the following sectoral opportunities, in order of priority, to be the best ‘fit’ with SCED criteria and also to have the highest potential chance of developmental success in the region: shellfish, arts and culture, value-added wood manufacturing and green products and services. Fisheries and green energy also ranked highly. While fisheries (and other resource sectors) face barriers related to government policy and green energy high levels of required investment the authors feel that over time these opportunities can also be realized. A successful SCED strategy will combine several of these sectors of opportunity with capacity building measures that address barriers to development in the region.

As demonstrated above, there is moderate to high interest and potential among the Nuu-chah-nulth communities in many of the green economy sectors. All also some show level of environmental benefit, particularly those that have a purpose tied directly to environmental conservation. Profitability is low for many while investment levels vary considerably. See Part Two: Sectoral Analysis for details on these opportunities.
In achieving the designation of the Clayoquot Biosphere Region the Clayoquot communities defined their ideal future, a future that provides ecological, social and economic sustainability. The findings of this report set the stage for developing the economic component of this vision.

This report is a foundation piece that pulls together research and information relating to 13 sectors of opportunity that we believe could constitute the region’s conservation economy.

The report addresses the following questions:

- What is the context for development in the region?
- What are the opportunities appropriate for development in the Biosphere Region?
- What are the challenges faced in pursuing these opportunities?

The region now has to decide if and how they chose to capitalize on these opportunities. This information can be used by individual businesses, sector-by-sector, community-by-community or by the Clayoquot Biosphere region as a whole. Economic planning is important at each of these levels. The Biosphere Reserve region does not have a plan for developing a conservation economy. We believe this is essential if the mission of sustainability in the region that the designation sets out is to be achieved.

Based on our findings elements of such a plan should include the following:

### 4.1 Establish incentives for greener business

There are a series of initiatives that could be undertaken to encourage existing businesses to improve their SCED practices, and encourage new green business start-ups and business recruitment. Some of these include:

- Design a marketing strategy and campaign (including a product and services label) that promotes the Biosphere region and its innovations in sustainability. This will encourage the kinds of businesses and visitors that will be a positive influence in the region.
- Establish criteria for a sustainable business venture and put in place financial and marketing incentives for business to meet these criteria.
- Reward business that achieve a predetermined standard of excellence.

The Dana, Jordon Biosphere Reserves’s slogan on all products (in recycled packaging) is:

‘Wadi Dana’ - Helping nature, helping people
4.2 Reflect conservation economy objectives in community planning and decision-making

First Nations and municipal leaders are engaged in various processes of planning and budgeting. To advance the conservation economy these exercises must be deliberately evaluated through an SCED screen and SCED initiatives explicitly included in planning priorities and workplans. Priorities, including the allocation of human and financial resources, must be set accordingly.

- Further refine municipal five-year plans based on their relevance to these objectives.
- Prioritize green business development in Nuu-chah-nulth reserve expansion plans.
- Establish appropriate structures and resources (e.g. commissions, committees, Development Corporations, designated staff positions) to advance key components of the SCED agenda.

4.3 Develop a tourism strategy for the Biosphere Region

Tourism benefits can only be maximized if the region has a management plan. At this time one does not exist for the Clayoquot Biosphere Region to manage this “resource”.

- Develop a tourism plan that focuses on attracting the kinds of visitors and tourism activities that are appropriate for the Biosphere Region.
- Ensure Nuu-chah-nulth participation and leadership.
- Pursue provincial designation as a resort municipality (Tofino and possibly Ucluelet)
- Recognize and promote arts and culture as a valuable asset.

4.4 Encourage value-added processing

It is well documented that the further along the chain of production that natural resources are utilized locally the greater the local benefits. The region is rich in natural resources (wood, non-timber forest products, shellfish and fish) but very little value-added activity is occurring at the present time.

- Develop incentives and support mechanisms (e.g. tax breaks, green promotions support) to encourage the reintroduction of this sector into the local economy.
- Recruit or create a shellfish processing facility in the region.
- Support and build on Clayoquot Sound Wildfoods as a mechanism for coordinating and developing value-added activity in the non-timber forest products (NTFP) sector
- Increase the local supply of wood fiber (e.g. through Iisaak, Interfor, Ucluelet community forest, new provincial forest reallocation program).
4.5 Establish a research and education agenda

Thousands of dollars and many people come to the area to conduct research every year. To maximize the benefits from this activity the region needs to take charge of the process, develop its own priorities and assert these for research activity. Further …

- The research agenda should include social, cultural, ecological and economic aspects, supporting the development of a conservation economy.
- Research activities in the region need to be coordinated and new research and education activities linked to existing community initiatives.

4.6 Plan for the development of skills, relevant to the region’s desire to achieve a ‘green economy’ in the local workforce

Economic success in the region will be dependent on people. To move the economy in a particular direction it will be important to understand the skills that are required and to ensure that these skills are developed in the local population.

- Complete a regional skills audit as the basis for designing relevant training programs (building on previous efforts).
- In collaboration with local training institutes, develop and implement a deliberate plan for building the kind of skills required for the new, green economy.
- Recruit youth interested in moving into key sectors and support their capacity development. Pay special attention to aboriginal youth and develop school programs that educate and involve youth in CED.

4.7 Continue to assert rights to adjacent resources

Local control over local resources is critical to the long-term sustainability of coastal communities. The First Nations treaty process is one of the clearest ways to assert this principle and must be supported. Other initiatives that should be supported, both politically and programatically include:

- Pursue opportunities for community licensing (e.g. forests, salvage, fishing) through municipal and tribal governments as well as through the WCVI Regional Aquatic Management Board. The highest standards of resource management will need to apply as these opportunities are made available to local communities.
- Develop and implement, in partnership with First Nations, a strategy for NTFP management in the region.
4.8  **Encourage green construction and design**

- Enact municipal and regional district bylaws that act as incentives for green building construction and alternate technology.
- Incorporate green design/construction and energy-saving alternative technology into plans for reserve expansion and new resort development.
- Work with existing businesses to encourage and provide incentives for ‘greening up’ their practices, landscapes and operations.

4.9  **Conduct a region-wide industrial waste audit**

Several opportunities for business ventures based on the region’s industrial waste streams have been identified. Realizing any of these opportunities requires that the region quantify its waste volumes and types as a first step.

- Ensure that the audit includes the Reserve communities and includes an analysis of how waste will be transported to re-use sites.

See also Part Two of this report for additional sector-specific recommendations.
SECTION FIVE

Clayoquot Sound Biosphere Region
Community Profiles
SECTION FIVE
THE CONTEXT:
A SOCIO-ECONOMIC PROFILE OF CLAYOQUOT SOUND COMMUNITIES

5.1 The Clayoquot Biosphere Region:

The Clayoquot Sound core region (see figure below) is home to six communities, including one District municipality (Tofino) and five Nuu-chah-nulth villages of the Hesquiaht, Ahousaht and Tla-o-qui-aht, the original peoples of the region. Immediately to the south of the area formally designated as the Biosphere Reserve are the three communities of: Ucluelet (District municipality), Ittatasoo (Ucluelet First Nation\(^5\)) and Macoah (Toquaht Nation). While these three are not “officially” within the Biosphere Reserve boundary they are considered part of the Biosphere region. All are linked in their social, economic and ecological circumstances. At the present time, Hesquiaht and Tla-o-qui-aht are not signatories to the Biosphere agreement.

Residents of these nine communities live within an incredibly rich and diverse ecosystem. The terrestrial area includes some of the last remaining intact coastal temperate rainforest left in North America\(^6\), encompassing nine pristine forested valleys, large and small lakes, rivers, streams and alpine peaks. The region’s marine ecosystems include habitats as diverse as the open Pacific ocean, shallow tide flat channels, rocky shorelines, and spectacular sandy beaches, together home to an abundance of fish and marine species. The protected area network includes Pacific Rim National Park and sixteen provincial parks and ecological reserves.

Fishing and fish processing were the lifeblood of the Clayoquot Sound economy for the first half of the 20\(^{th}\) century. The first cannery opened in 1895 at Kennedy River and processing facilities followed shortly thereafter in both Ucluelet and Tofino, along with buying stations in most Nuu-chah-nulth communities. Small-scale logging was also an important part of the early 1900s economy.

In 1955, the British Columbia government granted MacMillan Bloedel Limited (MB) a renewable Tree Farm License with exclusive rights to log in more than half of Clayoquot Sound. In 1956, logging rights in almost all the rest of Clayoquot were granted to British Columbia Forest Products (later to International Forest Products). By the 1960s and 70s in response to market demand and technology development logging became an industrial

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\(^5\) Ucluelet First Nation also has some traditional territory within the reserve itself

\(^6\) Designation nomination papers 1999
activity, displacing the “gyppo logger” entrepreneur. During the 1970s, clear cutting in
the region more than tripled over the initial rate of cut established when the licenses
were granted. In 1959 a road was built into the region, introducing what was to become
the third pillar of the economy – tourism. The creation of Pacific Rim National Park in
1971 further stimulated tourism growth.

By the 1980s problems with the industrial economy began to surface. In 1982, concerned
about impacts on shellfish beds Ahousaht First Nations took MB to court to stop log
booming in Steamer Cove on Flores Island. MacMillan Bloedel also announced its
intention to log parts of Meares Island, Clayoquot’s best-known landmark. First Nations,
municipal leaders, local entrepreneurs and environmental organizations protested the plan
and “the conflict over land use became the focal point of life in the region for more than a
decade".

The battle to protect the forests without destroying local economies has had a profound
effect on the culture and perspectives of the region. The control of over 90 per cent of
the public land in Clayoquot Sound by two international forest companies made people of
the regions all too aware of the limited control they were able to exercise over their own
communities and economies.

In an attempt to alleviate the problems, processes were put into place to enable the
communities to participate more effectively in decisions about land use in the region. As
a result forest decisions are now made under the recommendations of the 1995 Scientific
Panel for Sustainable Forest Practices in Clayoquot Sound, overseen by the Clayoquot
Sound Central Region Board. This and other subsequent initiatives have provided
increased local control over decisions that will help shape the future of Clayoquot Sound
and its communities, which are in the midst of ecological, political, social, cultural and
economic transition.

5.2 The Clayoquot Biosphere Reserve

Biosphere reserves began in the mid-1970s as part of the United Nations Educational,
Scientific and Cultural Organization (UNESCO)’s international programme on Man and
the Biosphere. The Reserves are areas for promoting and demonstrating a balanced
relationship between people and nature. As of mid-2001 393 Biosphere reserves had been
established in 94 countries, ten of which are in Canada (two on Vancouver Island -
Clayoquot and Mount Arrowsmith).

With the support of First Nations, local communities, organizations, and both the federal
and provincial governments, UNESCO Biosphere designation was sought for Clayoquot
Sound in recognition of the mid 1990s innovations that had been put in place to pursue
sustainable development. All parties agreed that the designation, which was announced
on May 5th 2000, would be based upon recognition, respect, and acknowledgement of:

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7 Environment News Service, 2000
8 Ecotrust, 1997
9 UNESCO Biosphere Reserves, 2002
• The rights, interests and stewardship responsibilities of First Nations and other local communities;
• The need for diversified local economies, including renewed and vibrant fisheries and forestry sectors, as well as tourism, aquaculture and new opportunities;
• The need to better understand natural and economic processes through the application of traditional and local knowledge and scientific research, inventory and monitoring efforts;
• The training and education requirements of local people, and researchers and students from around the world;
• The role of youth and elders in designing a sustainable future.

The Clayoquot Biosphere Trust, a locally based foundation, was established to oversee implementation of the designation and its intent, including the management of a $12 million endowment fund provided by the Government of Canada. This report is funded through that endowment. In identifying strategies for pursuing a sustainable economy in Clayoquot Sound the report is intended to help the Trust and the region as whole to achieve its commitment to becoming a global model of sustainable development.

**Seville Strategy for UN Biosphere Reserves**

**Objective II.I.7**
Evaluate the natural products and services of the reserve and use these evaluations to promote environmentally sound and economically sustainable income opportunities for local people.

**Objective IV.1.7**
Encourage private sector initiatives to establish and maintain environmentally and socially sustainable activities in appropriate zones of biosphere reserves and in surrounding areas, in order to stimulate community development.

The population of the Clayoquot region is made up of approximately 50% members of the Nuu-chah-nulth Nations and 50% non-First Nations residents. The five Nuu-chah-nulth Nations of the Biosphere region (Ahousaht, Hesquiaht, Tla-o-qui-aht, Toquaht and Ucluelet) form the Central Region component of the Nuu-chah-nulth Tribal Council. The young and growing population in these Nuu-chah-nulth communities totaled more than 3,700 individuals in 2001. In addition to the five Nuu-chah-nulth villages within the core of the Biosphere region there are approximately 40 areas designated as “Indian Reserves” under the federal Indian Act. The economies of Nuu-chah-nulth communities have historically been focused on traditional activities as well as fishing and to a lesser extent tourism, logging, aquaculture and other activities, along with cash influx from government transfers. Recent changes have led to significant employment loss in the fishery. In the early 1990s fishing represented 73% of Nuu-chah-nulth employment. Recent statistics indicate a new reliance on the sales and service sector.

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10 Environment Canada Fact Sheet on the Clayoquot Biosphere Trust.
11 UNESCO Biosphere Reserves, 2002
The Biosphere Reserve Communities

<table>
<thead>
<tr>
<th>Community</th>
<th>Population 2001</th>
<th>Population change</th>
<th>Unemployment</th>
<th>Median Income</th>
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<tr>
<td>Ahousaht - Marktosis</td>
<td>1648</td>
<td>557 480*</td>
<td>+ 16%</td>
<td>16.5%14</td>
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<tr>
<td>Hesquiaht - Hot Springs - Hesquiaht</td>
<td>602 77</td>
<td>5 91 5</td>
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<tr>
<td>Tla-o-qui-aht Opitsaht Esowista</td>
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<td>151 125</td>
<td>- 2% 12%</td>
<td>20% 0%</td>
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<tr>
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<tr>
<td>District of Tofino</td>
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<td>9%</td>
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<td>369 355</td>
<td>+ 4%</td>
<td>10%</td>
<td>$19,232</td>
</tr>
</tbody>
</table>

Sources: Statistics Canada

Ed Note: Statistics Canada census data are used despite concerns that these statistics do not accurately represent reality. Despite its flaws, the Census represents the best available information in many cases, covering a wider range of communities, in a more consistent manner over a longer time period than other sources. Inconsistencies and deficiencies in the information are pointed out wherever possible.

The most northerly of the Clayoquot Nations are the Hesquiaht. Two of eight Hesquiaht Reserves are occupied by Hesquiaht members, one at Hot Springs Cove and the other at Hesquiaht Harbour. Hot Springs Cove is named after the natural hot springs located at the south end of a narrow peninsula on the East Side of the Cove. The springs' waters average about 105 degrees Fahrenheit, and are perched overlooking the open ocean, within the boundaries of Maquinna Provincial Marine Park. The area is a popular attraction. The Reserve Community of Hot Springs (Refuge Cove) village is located on the Cove’s west side, home to approximately 80 individuals and 25 families (39 dwellings). The community had to rebuild after a devastating tidal wave in 1963. Hesquiaht Nation operates fishing licenses (e.g halibut) under Hesquiaht Fisheries along

12 Unemployment rates determined from the Census of Canada are lower than yearly averages. Census surveys are taken in the months May-July. Summer is the peak employment season for both the tourism and fishing industries. Further, unemployment statistics do not account for people who are no longer in the labour force.

13 These Statistic Canada numbers are underestimated. *An Ahousaht report lists the 1998 on-reserve population as 637 people*, including 567 Ahousaht members. Total membership is reported as 1,565 (Carrothers 1999). A CBT report cites 1996 population at 742. Ahousaht information should be taken as the most accurate. However, it can not be compared directly to other Census data source.

14 Local estimates suggest much higher rates, particularly in the off-season (e.g. 60-70% in the spring of 1995 according to the Scientific Panel Report).
with a six unit lodge, an arrangement with Interfor for Small Business Logging and Shake and Shingle Salvage as well as a geoduck culture project. A museum has also been built at Hesquiat Harbour, nearby to Cougar Annie’s Garden, another popular tourism destination.

The Ahousaht\textsuperscript{15}, whose territory encompasses the majority of the Sound, are comprised of three former groups: the Ahousaht, Manhousaht and Keltasmaht. The community of Ahousaht is located on Flores Island (also known as Marktosis). Ahousaht means people of (aht) Ahous, a small bay on the west side of Vargas Island. The Marktosis IR is the only one of 25 Ahousaht reserves that is occupied year-round. Others are traditional fishing stations and areas of seasonal resource extraction, considered uninhabitable for year-round settlement. All Ahousaht reserves are accessible only by boat or floatplane.

The population of Ahousaht has been growing at an average rate of 2.6%, with a strong interest among members living “away from home” in returning. Currently 36% of the Ahousaht membership lives at home (vs. a BC average of 49%). The population is predominantly (77%) under 40 years of age (41%, 0-19).

Shortage of housing is a significant issue in the community. A recent study indicates there are 136 dwelling in moderate to poor condition. The Ahousaht population is projected to increase to 3,125 by 2024, 1,272 living within Ahousaht. There are also problems with community infrastructure sufficient to handle solid and sewage waste. Power supply via underwater lines is projected as adequate for five to ten years.

Weyerhauser has recently transferred two parcels of land adjacent to the existing reserve to the Ahousaht for a community expansion. Plans are underway for a five-year development on district Lot 363 and 363A. The new development will include approximately 200 new homes, an artist’s village, cultural centre, new high school and economic development facilities. Ahousaht policies on local hiring are expected to ensure local employment is associated with this activity.

\textsuperscript{15} Reference Carrothers 1999 for the following section on Ahousaht demographics.
The main economic activities in the Ahousaht community are tourism, forestry and fishing (including shellfish), although the latter two have declined in recent years. Members are employed seasonally in silviculture, water taxi transport, construction, tourism and aquaculture. There are 16 fish farms operating within Ahousaht territory. An agreement was signed between the Ahousaht and Pacific National Aquaculture (PNA) in 2002 to allow PNA access to traditional territory in exchange for employment opportunities, tenure fees and environmental monitoring and management improvements. Opportunities for farming indigenous species (e.g. Chinook) are being examined.

The Ahousaht First Nation employs approximately 35 people. Its departments include: administration, education, human services, medical clinic, social services, home care, Ahousaht grocery store, transportation, maintenance, fisheries and forestry. Government transfers make up 24% of total income for persons 15 years and over (contrasted against 13% in Ucluelet and 8% in Tofino).

There are five enterprises operated by Ahousaht Administration, including natural resources, tourism, grocery and transport ventures, as well as a minimum of 13-15 Ahousaht member-owned businesses in the region. These include restaurants, a gallery, tour companies, water taxis, contractors and professional services.

Despite census figures of 16-19% locals report unemployment rates as much higher. Chronically high unemployment and the young population about to or recently entered into the workforce create significant pressure for job creation, education and training. Of residents 15 years and over 19% have less than a grade 9 education, 56% grade 9-13, 19% trade or other non-university and 6% university.

The Tla-o-qui-aht First Nation resides on two separate reserves, one on Meares Island (Opitsaht) and the other at Esowista, surrounded by Pacific Rim National Park. A reserve expansion is planned for the Esowista site. The Tla-o-qui-aht (TFN) have been very active in economic development. They own and operate TinWis resort, are about to launch a tourism booking center and shellfish aquaculture operation, facilitated by their Economic Development Corporation. Like several other Nations, members (6-8) are also involved in the spawn-on-kelp industry. One member still holds a commercial salmon license, others work at TinWis, pick mushrooms, cut firewood, produce art and hold a number of other occupations.

The Ucluelet First Nation holds ten reserve areas. Its primary settlement is located across the bay from Ucluelet (Ittatsoo). Another reserve is located just south of Wickanninish Centre, within the core Biosphere region. Finally, the Toquaht First Nation occupies seven reserves, their main settlement being Macoah on the North Shore of Barkley Sound.
Sound. The Toquaht operate a logging and sawmill operation, an art gallery, and various other individual and tribal businesses. The District of Tofino and Ucluelet are also home to both Aboriginal and non-Aboriginal residents (estimated 11% of Ucluelet population is of Aboriginal decent).

The Nuu-chah-nulth communities are diverse, yet they share a number of commonalities. These include a young population and high unemployment rates, resulting in an urgent need for job creation. Most have not only a growing local population but also members who live away and would like to return home. They are faced with housing shortages and little room for expansion due to Indian Reserve boundaries. Despite these barriers Ahousaht and Tla-o-qui-aht Nations have been successful in negotiating alternative arrangements (e.g. with Parks Canada, the forest companies and Indian Affairs for expansions of Marktosis and Esowista).

Yet another characteristic of the Nuu-chah-nulth communities is a lower level of high school and post-secondary education than their non-Native neighbours. In part this is a function of distance. Students from villages such as Hesquiaht must travel to Ahousaht and Optisaht to Ucluelet. Many other factors beyond the scope of this report come into play. Across BC 14.6% of the population ages 20-34 have their high school diploma. In Tofino this percentage is 17.2% and in Ucluelet 25%. In Hesquiaht 67% of this age group have less than a high school diploma, 75% in Ittatsoo, 67% in Opitsaht. Ahousaht has its own secondary school, the benefits of which are demonstrated by a higher completion rate (42%). Ahousaht is also home to a higher percentage of university graduates than other Central region Nuu-chah-nulth communities.

Another commonality is participation in the treaty negotiation process. The treaty process is expected to lead to greater control over traditional territories, access to land and natural and financial resources. The hope is that these treaty outcomes will address a range of political, ecological, social and economic issues faced by Nuu-chah-nulth communities. In particular treaties promise to address the obvious economic inequity within the region demonstrated in the table above. In the meantime, however, treaty negotiations are taking a toll on the Nations’ human and financial resources as leaders balance the need to offer immediate solutions to community problems with negotiating for a better future.

Tofino’s economy was historically based on commercial fishing and processing and to a lesser extent logging. Throughout the 1990s these activities declined while tourism virtually exploded and aquaculture (finfish and shellfish) has also grown in importance. Today four fish processing companies operate in the region, three wild-fish plants in Ucluelet and a salmon aquaculture processing facility in Tofino. Fishing-related employment, however, has declined significantly with the loss of herring, salmon and other fisheries. In 1997 350 Ucluelet residents were employed in either fishing or
logging. By 2001 only 155\textsuperscript{16} individuals reported occupations unique to the primary sector, 25 others in secondary processing. Ucluelet’s logging labour force remained consistent at 110 people from 1996 to 2001 (11% of total) while fishing continued to fall from 115 to 45. Tofino’s fishing labour force fell from 110 to 50 in the same period while logging increased from 15 to 25 (3% of the total labour force).

Sales and services, primarily food and accommodation, now dominate both economies. Tofino is the main departure point and supply base for the residents that live in the rural areas and Nuu-chah-nulth villages in the core of the Clayoquot Biosphere region.

### Experienced Labour\textsuperscript{17} Force by Occupation, 2001

<table>
<thead>
<tr>
<th></th>
<th>Ahousaht</th>
<th>Opitsaht</th>
<th>Esowista</th>
<th>Tofino</th>
<th>Ittatsoo</th>
<th>Hot Springs</th>
<th>Ucluelet</th>
<th>Area C</th>
</tr>
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<tbody>
<tr>
<td>Total</td>
<td>230</td>
<td>50</td>
<td>50</td>
<td>1000</td>
<td>95</td>
<td>45</td>
<td>965</td>
<td>250</td>
</tr>
<tr>
<td>Management</td>
<td></td>
<td></td>
<td></td>
<td>240</td>
<td>10</td>
<td>180</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary industries</td>
<td>40 (17%)</td>
<td>10 (20%)</td>
<td></td>
<td>90 (9%)</td>
<td>20 (21%)</td>
<td>10 (15%)</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>Natural and applied sciences</td>
<td>0</td>
<td></td>
<td></td>
<td>40</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>60</td>
<td></td>
<td></td>
<td>65</td>
</tr>
<tr>
<td>Education, social, science, religion and government</td>
<td>30 (13%)</td>
<td>10 (20%)</td>
<td></td>
<td>30</td>
<td>10</td>
<td>50</td>
<td></td>
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<tr>
<td>Art, culture, recreation and sport</td>
<td>10</td>
<td>10 (20%)</td>
<td></td>
<td>25</td>
<td>10</td>
<td>25</td>
<td></td>
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<tr>
<td>Sales and service</td>
<td>55 (24%)</td>
<td>20 (40%)</td>
<td>15 (30%)</td>
<td>295 (30%)</td>
<td>20 (21%)</td>
<td>20 (44%)</td>
<td>230 (24%)</td>
<td>75 (30%)</td>
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<td>Processing, mfg and utilities</td>
<td>20</td>
<td></td>
<td></td>
<td>20 (26%)</td>
<td>25</td>
<td>25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trades, transport, equipment operators</td>
<td>25</td>
<td></td>
<td></td>
<td>105 (11%)</td>
<td>10</td>
<td>115</td>
<td>40</td>
<td></td>
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<tr>
<td>Business, finance, and admin</td>
<td>20</td>
<td>10 (20%)</td>
<td></td>
<td>85</td>
<td>10</td>
<td>135</td>
<td>25</td>
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</table>

\textsuperscript{16} This statistic varies between 140 (labour force by occupation) and 155 (by industry).

\textsuperscript{17} Experienced labour force is defined by Statistics Canada as those individuals 15 years of age or older who were employed or unemployed in the week prior to Census enumeration and who worked at some time during 1995 or 1996 (in the case of the 1996 Census).
Tourism and residential development is experiencing rapid growth in Ucluelet. Growth is also occurring in Tofino but is limited by already stressed infrastructure capacity and limited land availability. Between 1996 and 2001 Tofino was the third fastest growing municipality in BC. Annual residential and non-residential building permit values averaged $4 million in Tofino and $1 million in Ucluelet over the last Census period. As a result of growth housing prices have risen and affordability of accommodation for the workforce is now a major concern, particularly in Tofino. The average dwelling in Ucluelet was valued at $158,240 in 2001, $288,870 in Tofino. Taxes have also risen to help finance infrastructure requirements. Many workers are now living in Ucluelet and commuting to Tofino, while others are left “on the street” in the summer months.

Both Ucluelet and Tofino have approximately 45% of their populations between 20 and 44 years of age (vs. 38% in Ahousaht). Growth in the tourism sector has led to competition among employers for labour force in Tofino and resulting complaints about labour force reliability and commitment, a stark contrast to the unemployment rates of outlying villages. Economically the region is linked in terms of supply (materials, expertise etc.) and market access to the largest community in the Alberni-Cayoquot Regional District (Port Alberni, population of 17,743 in 2001), and to the cities of Victoria and Vancouver to the south. Average incomes in Tofino are lower than Ucluelet, which are in turn lower than Port Alberni, which is still primarily forestry dependent.

Finally, the region’s vibrant volunteer sector deserves noting. The many volunteers and community organizations in the region provide important “social capital” that benefits community economies by improving quality of life and supporting sectors that cannot be successfully driven entirely by economic motivation. Our research shows, however, that these volunteer resources are stretched by increasing demands, years of effort and slow progress in building bridges within the region. Conflict has not disappeared. It continues to serve as a barrier to collaborative regional development: “While Tofino fights to preserve the old growth forests, Ucluelet fights to maintain logging as a viable industry...” While this polarized picture does not fully reflect the diversity of each community, longstanding attitude differences and resentment remain clearly visible.

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5.3 Entrepreneurship in Clayoquot Sound

The Clayoquot region is very entrepreneurial relative to other locations in BC. In Tofino, for example, self-employment as a percentage of total employment tends to range from 14-16%, more than twice the provincial average of 7%\textsuperscript{20}. In the early 1990s rates of self-employment in Ucluelet were in the 5-8% range, but this is increasing – largely a function of tourism-related business development. “Ucluelet is the hot spot right now for business start-up. And it’s all tourism,” explained one small business lender, using a young Ucluelet man who is manufacturing wax for snowboards and surfboards as an example. BC Stats reports an average of ten new business incorporations annually in Ucluelet through the late 1990s, compared with only three in Tofino\textsuperscript{21}. Barriers to entrepreneurship are discussed further in the analysis in section 2.2 above.

\textsuperscript{20} Statistics Canada Small Area and Administrative Data Centre 1997.
References

- Batt, G. 2000. Ministry of Community Development, Cooperative and Volunteers Regional Workshop Report


- Environment News Service, 2000


Appendices

1. People interviewed
2. List of organizations supporting CED in the region
Informal Interviews with Residents and Community Leaders

- Nov. 2002 Science Symposium presentation and brainstorming session (20+ participants)
- Friends of Clayoquot Sound staff and members
- Francis Frank, Agnes Brown, Ben Williams, Tla-o-qui-aht First Nation
- Al Little, Dan Samuel, Peggy Hartman, Nuu-chah-nulth Economic Development Corp.
- Joe Campbell, Guy Louie, James Swan, Billy Keitlah, Angus Campbell, Ramona Campbell, Greg Louie, Ahousaht Band Council, Ahousaht First Nation
- Leslie Fenn, Lot 363 consultant
- Ian Howatt, District of Tofino
- Rolly Arnett, shellfish farmer
- Mike Mullen, shellfish farmer
- Michael Curnes, Tofino Long Beach Chamber of Commerce
- James Rodgers, Cedar Corners
- Susan Jones, Write On Office Supplies
- Westerley/Ucluelet Recycles: Greg Blanchette
- Bill Ellwyn, Alberni-Clayoquot Ec Dev Commission
- Lori Camire, CFDC Alberni-Clayoquot
- Josie Osborne, NTC fisheries
- Scott Macdonald, Pacific Sun Kelp
- Iris Lucas, Ma-Mook Development Corp/Clayoquot Wild Foods
- Len Dziama Central Westcoast Forest Society
- Westcoast Career Centre
- BC Ministry of Forests
- Dale Edwards, Ursala Banks, Looker Industries
- Don McMillan, Interfor
- Daniel Lemarche, Clayoquot Crafts
- Dennis St. Jacques, Ucluelet Timber Milling Co.
- Paul Petrosvsky, artist
- Kerdwyn Bird, artist
- Signy Cohen, Reflecting Spirit Gallery
- Sean Goddard, Lounge Collection
- Owner, Barr’s Native Jewelry
- Moira Thirsk, Pacific Rim Arts Society
- Richard Ross, Western Evergreens
- Darren Willis, Ecotrust Canada
- Annemarie Koch, Mount Waddington Regional District
- Mark Kepkay, CLARET
- Jen Pukonen, Raincoast Interpretive Centre
- Lynden McMartin, Tin Wis
- Sylvia Harron, consultant
- Deb Haggard, Community Futures, Alberni-Clayoquot
- Gerry Schreiber, WCVI Aquatic Management Board
- Laura Loucks, Trevor Wickham, Eco-Planning Consultants
- Dan Paradis, Ma-mook consultant
### List of organizations supporting CED in the region

<table>
<thead>
<tr>
<th>Organization</th>
<th>Contact Person</th>
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<tr>
<td>Alberni-Clayoquot Community Futures</td>
<td>Lori Camire</td>
<td>724-1241</td>
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<td>Alberni-Clayoquot Economic Development Commission</td>
<td>Bill Ellwyn</td>
<td>723-2188</td>
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<td>Ecotrust Canada</td>
<td>Brenda Kuecks</td>
<td>725-2536</td>
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<td>Economic Working Group</td>
<td>Richard Lucas</td>
<td>726-2446</td>
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<tr>
<td>Ma-mook Development Corp.</td>
<td>Iris Lucas</td>
<td>726-7144</td>
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<td>Nuu-ch-a-nulth Economic Development Corp.</td>
<td>Al Little</td>
<td>724-3131</td>
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<td>Tla-o-qui-aht Economic Development Corp.</td>
<td>Agnes Brown</td>
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<td>Tofino Business Association</td>
<td>Barbara Bryant</td>
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<td>Tofino Long-Beach Chamber of Commerce</td>
<td>Michael Curnes</td>
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<td>Ucluelet Economic Development Commision</td>
<td>Geoff Lyons</td>
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