



**Can South Eastern Ontario Learn Something
from a Northern Ontario Town about
Community Strategic Priorities?
The Case of Atikokan**

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ONTARIO



**NORTHERN ONTARIO/
NORD DE L'ONTARIO**



Atikokan

LEGEND / LÉGENDE

- Other populated places/
Autres lieux habités
- 🍁— Trans-Canada Highway/
La Transcanadienne
- Major road/
Route principale





- | **The town of Atikokan, Ontario and the closure of the government owned coal-fired power generation station**
 - ÿ Mines closed in the 1970s
 - ÿ Forest products closed or bankrupt
 - ÿ Power generator is last major employer in the town
- | **Government sponsored research to develop biomass pellets to replace coal**
- | **Research team from Queen's University working on science, engineering and community strategic planning**
- | **My part of the research was on community strategic planning and environmental ethics**



- | **Preliminary planning meetings with the Mayor, Municipal Council, Economic Development Corporation and others**
- | **Review of strategic planning documentation and economic consultants' reports**
- | **Review of community planning and environmental ethics literatures**
- | **In-person interviews with 25 Atikokan residents**
 - ÿ **Business**
 - ÿ **Government: federal, provincial, municipal**
 - ÿ **Economic planning**
 - ÿ **Municipal staff**
 - ÿ **Healthcare, social services and education**
 - ÿ **Newspaper**
 - ÿ **Arts and recreation**

Why a Concern with Small, Remote Resource-Based Communities?



- | **A growing problem**
- | **Similar characteristics across North America and around the world**
- | **Usually single industry dependent**
- | **Highly vulnerable to environmental policies**
- | **Lack of economic diversity makes recovery difficult**
- | **Often lack labor and management capabilities for a new business sectors**
- | **Remoteness makes alternate employment problematic**
- | **Resource industries increasingly departing North America**

The Case of Atikokan, Ontario



- | **“Boomtown with a future”, *Toronto Star Weekly*, Aug 1950**
- | **Massive high grade iron ore deposits beneath nearby lake – engineering marvel of the day opens 2 mines mid 1940s**
- | **Prosperous town: infrastructure, arts and recreation, connecting highways to Southern Ontario**
- | **Mines closed by 1979**
- | **Forest products replaces mines but by 2008 closed or bankrupt**
- | **Population from 7,000 to 3,000**



- | **Last remaining large employer is Ontario government owned coal-fired power generating station**
- | **Ontario environmental policy commitment to eliminate coal in power production**
 - ÿ **Great coupe for environmentalists**
 - ÿ **Potentially devastating blow to Atikokan**
- | **After two reprieves, Atikokan generator scheduled to close 2014**
- | **Town is faced with significantly reduced population and related services**
- | **Workers heading west looking for work**
- | **Only remaining children's clothing store closes for good in August 2008**

Is there a strategic plan?



- | **Atikokan's 'recruitment strategy' – any new business is good as long as it provides employment**
- | **Without a 'blueprint' (e.g., (a) single major employer, (b) cluster of businesses in related industry, (c) broadly-based unconnected diversification, etc.) showing the future structure of the economy and social entities, the future shape of the community is left significantly to chance**
- | **Federal and provincial funding for consultants produced economic plan – a lengthy analysis of 30 potential opportunities, 13 prioritized**
- | **Enhanced tourism among the priorities: town beautification, expanding the bass fishing derby, lobbying for new access to the provincial park**



Local and Regional Development = $c \times r$

c = capacity

- Management
- Economic
- Social
- Technological
- Political

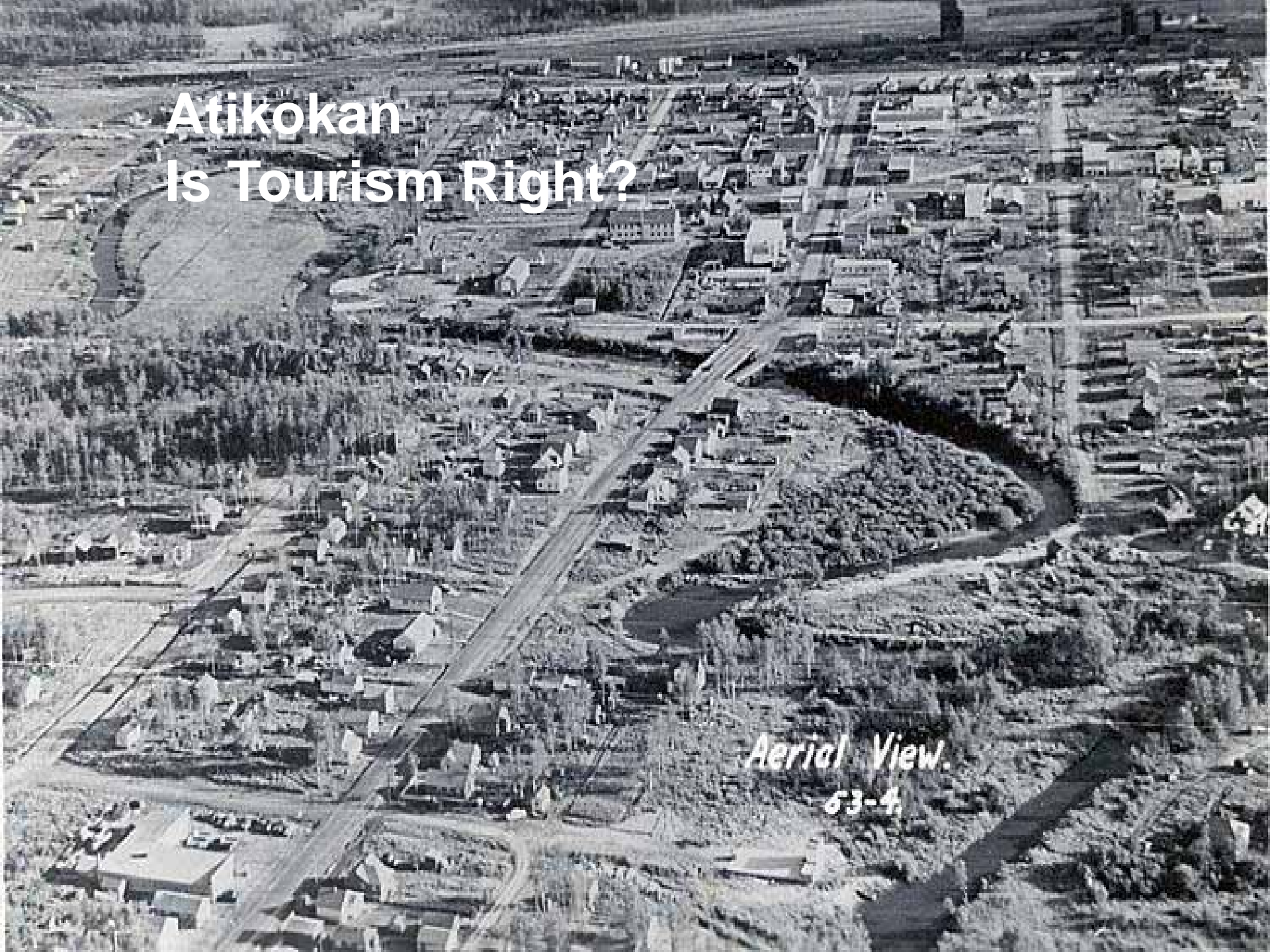
r = resources

- Natural resource availability
- Location
- Labour
- Capital for investment
- Entrepreneurial climate
- Transport
- Export market
- Technology
- Scale
- Government spending

Elliot Lake Tourism



Atikokan Is Tourism Right?



Aerial View.
63-4

Quetico Provincial Park



Is tourism the solution?



I **Capacity**

- ÿ **Not much management depth in tourism**
- ÿ **Service-oriented labour capacity moderately available**
- ÿ **Technical capacity for bookings, etc are not in place**
- ÿ **No issues with political, social or economic issues**

I **Resources**

- ÿ **Physical resources**
 - ÿ **Town is not attractive**
 - ÿ **Not located on water, mountains, etc.**
- ÿ **Region has pristine wilderness, provincial park – but attractive to camping, fishing, etc., not Atikokan as a destination**



| **Economic plan recommended**

- ÿTown beautification projects

- ÿLobbying Ontario for new entrance to Quetico Park closer to Atikokan

- ÿExpansion of the annual bass fishing derby

| **It is very unlikely that tourism could play a leading economic role in Atikokan's future because**

- ÿBeautification and park entrance are expenditures without near term high probability earnings and starting from a low base

- ÿFishing derby has insignificant revenue generation capacity

| **Tourism is not likely the answer: $c \times r$ is low**

Atikokan Power Generation Station



An option to explore



- | **Convert the power station to burn biomass**
- | **Harvest biomass from surrounding woodlands**
- | **Convert bankrupt fibreboard plant to produce biomass pellets in quantities sufficient to**
 - ÿ **supply the power station**
 - ÿ **Export globally**
- | **Explore uses of the ash from the power station**

Is the c x r of a biomass solution high enough to justify consideration?



I **Capacity**

- ÿ **The existing power station can burn biomass**
- ÿ **Ontario government has the capacity to subsidize the incremental cost of biomass power**
- ÿ **Government has the political will**
- ÿ **Wood products management expertise is available**

I **Resources**

- ÿ **Labour is available**
- ÿ **Financing available if project is economically sound**
- ÿ **Location is positive: biomass is available in the region**
- ÿ **Transportation links are good: rail line, good highway**
- ÿ **Export markets: early indications are positive**
- ÿ **Queen's pellet technology is promising**
- ÿ **Entrepreneurial spirit is low**

Preliminary conclusion



- | **C x r is unproven but initially promising**
- | **Ontario government has invested \$ 4 million in research to investigate biomass power**
- | **Governments traditionally want demonstrated successes from investments**
- | **A biomass economy would likely provide employment for university educated children of Atikokan who now leave for opportunities elsewhere**
- | **A biomass solution is new economy with future potential rather than backward looking resource-based or low potential tourism**

Just a thought!

Can Eastern Ontario learn from Atikokan?



Ending comments:

- | **Easy for communities to choose what is fashionable or funded by short term government grants. Both can be a mistake if c x r is not favourable**
- | **Communities need to create a strategy not just using consultative planning processes but with a clear 'blueprint' of what the future should look like**
- | **Community commitment is required**
- | **Entrepreneurship is essential**
- | **Governments can create supportive policy, but the private sector is the key to long term growth**