"ROADS LESS TRAVELLED":

DEPENDENCY AND RESILIENCE IN LOCALLY-OWNED TRUCKING COMPANIES ON THE GREAT NORTHERN PENINSULA OF NEWFOUNDLAND AND LABRADOR AND THE ACADIAN PENINSULA OF NEW BRUNSWICK.

By

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Abstract

The Great Northern Peninsula of Newfoundland and Labrador and the Acadian Peninsula of New Brunswick have been shaped socially, culturally, and economically by cycles of natural resource extraction, unpredictable industrial output, and the continual threat of out-migration. Given these trends, locally-owned trucking companies on both peninsulas struggle to respond positively to a myriad of factors that militate against their ability to provide quality service to the communities in which they operate. The data presented in this research have uncovered that while some locally-owned companies flourish within uncertainty, others fail to become competitive. Accordingly, this dissertation examines the causes for and consequences of dependency and resilience within locally-owned trucking companies on the Great Northern and Acadian Peninsulas. On the one hand, their resilience is impacted significantly by the extent and quality of their integration with the broader national, and even international, trucking industry. On the other, these companies are influenced locally by the durability and quality of their community relationships. Woven through this are the unique cultural and challenging geographic environments with which they must contend.

This research is informed by critical political economy, dependency theory and the emergent sociological literature on resilience in marginalized communities. Building on sociological research into regional inequality in Canada, this project modifies the theoretical framework established by Canadian dependency theorists by recognizing the ways in which social actors in underdeveloped regions like Atlantic Canada challenge the economic and social consequences of dependency. Locally-owned trucking companies on the Great Northern and Acadian Peninsulas operate in ways that reflect their varying

ability to respond actively to the structural conditions of dependency that dominate the regions in which they operate.

This research employs a mixed methodology including analysis of demographic profiles of both the Great Northern and Acadian Peninsulas, a critical review of regime change in Canadian transportation policy as it applies to the Atlantic Provinces, and comparative case studies of locally-owned trucking companies in both research locations. Taken together, these methods have allowed this project to advance sociological understanding of the relationship between dependency and resiliency by uncovering the social and economic circumstances under which limited local resilience can emerge within economically dependent regions.

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CHAPTER ONE

Researching the Locally-Owned Trucking Sector in Atlantic Canada

"If you've got it, a truck brought it." In practically no other place does this resound more clearly than for rural communities on the Great Northern Peninsula of Newfoundland and Labrador and on the Acadian Peninsula of New Brunswick. Despite the trucking industry's role as the regions' most comprehensive mode of commercial transportation for consumer goods, and for some communities the only one available, little is known of the locally-owned trucking sector in Atlantic Canada. By examining the dependency and resilience of locally-owned trucking companies on the Great Northern Peninsula of Newfoundland and Labrador and Acadian Peninsula of New Brunswick, this research breaks empirical and theoretical ground in the sociological understanding of the relationship between dependency and resilience in Atlantic Canada. This research examines the ways locally-owned trucking companies on both the Great Northern and Acadian Peninsulas navigate, or fail to navigate, the unique social, economic, cultural, and geographic realities with which they are faced. In this regard, this research expands upon themes of resourcefulness and resilience in Canada's coastal communities that have emerged in several examinations of regional development (Sinclair, 1985; Ommer, 2007).

This project's original contribution is its primary focus on the role of locally-owned trucking companies within the broader spectrum of factors contributing to, or negating, regional underdevelopment in Atlantic Canada. To fully understand why an examination of the political economy of the locally-owned trucking sector on the Great Northern and Acadian Peninsulas is overdue, it is useful to demonstrate why transportation remains a crucially important element for economic development in these

regions specifically, and to identify the gaps in the sociological understanding of the trucking industry generally.

The promise of efficient commodity transportation in Atlantic Canada has been treated historically as both a tool for economic growth and a source of economic development in its own right (Forbes, 1989). The "banalization of transportation" (Gaudry, 1997, p. 3) within neo-liberal public policy regimes reflects a shift away from transport policy that privileges the crucial link between effective transportation and regional economic development in Atlantic Canada. Within the current policy framework, commodity transportation such as trucking is regarded almost exclusively from the perspective of cost/benefit analysis which privileges economic rationalization, often at the expense of community well-being. Locally-owned companies' varying ability to provide quality service in the communities in which they operate is threatened by transportation policy that fails to take into account the unique realities of the Great Northern and Acadian Peninsulas. Data presented in this dissertation have uncovered that successful locally-owned companies rely on rich articulation with the communities they support, and that they have the capacity to mobilize the conditions of dependency that impact their sustainability. This will be more fully contextualized in Chapter Three and examined empirically in Chapter Six.

As pointed out by Wood as long ago as 1989, sociologists have not fully engaged in a critical discussion of the impact of locally-owned commodity transportation in dependent regions (p. 135). Most sociological research into trucking is focused on one of three related research clusters: (1) truck drivers' working conditions; (2) the regulation of the trucking industry; or (3) Marxist-inspired analyses of the political economy of the

contemporary trucking industry. While the current research does not fit squarely into any of these research foci, it does draw from each in its interpretation of the data uncovered on the Great Northern and Acadian Peninsulas. It is worthwhile to briefly review this research at this point.

1.1 Research Focus One: Working Conditions

For many casual observers, the trucker's world is portrayed through pop culture references to truck driving and truck drivers. Indeed, the entire trucking industry is portrayed as romantic and dangerous (Bolton, 1979; Fleming, 2002). Research suggests, however, that the tedium and public scrutiny many truck drivers experience on the job are at considerable odds with their prevailing cultural image. Accordingly, sociological research into trucking has centered almost exclusively on the working conditions and occupational mystique of truck drivers or on the ideological image of the independent truck driver in contemporary capitalist society. Researchers have examined truck drivers' strained relationships with the trucking industry and their disdain for trucking capital, which disregards their interests (Hollowell, 1968; Blake, 1974; Thomas, 1979; Agar, 1986; Reinarman, 1987; Gabriel, 1990; Ouellet, 1991; Fried and Wolff, 1994; Stratford et al., 2000; Fleming, 2002). Day's (1996) study of the role-set of truck drivers and Hammer's (2002) conception of the liminoid role of the truck driver in contemporary society, where individual truck drivers find themselves in the tenuous position of bridging the gap between their occupational realities and their role as popular culture icons, capture the bifurcated reality in which many truck drivers find themselves. These projects offer fascinating insights into an occupational sub-culture that is simultaneously

ubiquitous in its physical presence and mysteriousness. Certainly the cultural image of the truck driver in contemporary society has not escaped truck drivers operating on the Great Northern and Acadian Peninsulas. Similarly, these cultural attributes also inform the motivations behind locally-owned trucking companies' responses to conditions of regional dependency.

1.2 Research Focus Two: Regulation

A second focus of trucking research is the policy and corresponding regulatory regime within which the trucking industry operates. Transportation policy developments in the early part of the 20th century that negatively affected the growth of the trucking industry were shaped in part by the influence of the rail sector in the decision-making processes of federal policy makers. The rapid growth of trucking as a nascent competitor to rail in the first half of the 20th century reflected its core strengths. Inasmuch as trucking directly challenged the inflexibility of the rail sector because it was able to operate efficiently while carrying much smaller volumes of freight, while also foregoing the economies of scale needed of the rail sector, it represented a viable threat to the monopolistic conditions that had provided railroad capital with unchallenged profitability along many transportation corridors. It has been argued that much of the bureaucratic regulatory structure that was instituted to govern the early trucking industry was based on a contentious fear that the trucking industry would, if left unregulated, suffer from predatory internal competition (Kaplan, 1991).

The political purposes of public policy have been documented (Brodie, 1990). Similarly, the role of transportation systems in the period restructuring of capitalist

economies is clear (Aglietta, 1979; Lipietz, 1989; Milios, 1989; Mandel, 1989; Kotz et al., 1994). Unfortunately, policy research in Canada has largely avoided examining the crucial role played by policy regime shift from transportation-as-service to transportation-as-business in the administration and the maintenance of effective transportation systems in resource extracting communities (Polese and Shearmur, 2004; Watters II, undated). By contrast, contemporary policy-oriented research focuses largely on one or more of several key themes: the regulation and deregulation of the trucking industry (Kaplan, 1991; Belzer, 2000); occupational trends related to deregulation, such as de-unionization (Belzer, 2000; Engel, 1998) or operator safety (Hubbard, 2000). These empirical uncertainties will be more fully accounted for in this research. In particular, the social and economic purposes of transportation policy in Atlantic Canadian regional economic development will be presented as a key factor in determining the conditions of dependency with which locally-owned trucking companies on the Great Northern and Acadian Peninsulas must contend.

1.3 Research Focus Three: Political Economy

For Marx interest in transportation was tangential to other forms of industrial development. Marx discussed the importance of transportation in bridging the distance between manufacture and consumption. In this regard, transportation allows the use value of the commodities being transported to be realized, thus completing the circulation of capital essential to capitalist expansion (Marx, 1981, p. 227). To have a use-value, a commodity must logically be useful and to be useful it must be consumable. Finished

products sitting in manufacturers' warehouses or, for that matter, fresh fish sitting on wharves have no use-value if they cannot reach their intended market efficiently.

Fried and Wolff's (1994) research is the most systematic analysis of the class structure of the trucking industry in the US. They examined the impact of cyclical changes in capitalist accumulation strategies on the labour process within the industry and, in particular, on the lives of independent truck drivers. Gardner's (2000) more recent study of the increasingly tenuous position of independent truck drivers in the Louisiana oil-patch, where they faced pressures of being subsumed by corporate capital, also indicates a changing class structure within the trucking industry, ostensibly to bring it in line with the demands of trucking capital. Fleming (2002) has extrapolated Sinclair's (1985) findings about the growing role played by capital in the economic well-being of independent fishers on the Great Northern Peninsula of Newfoundland and Labrador to an analysis of owner-operator truck drivers in the province of New Brunswick. There is no direct empirical research on the position of locally-owned trucking companies in peripheral regions within the broader capitalist economy within which they have become articulated (Goodman and Redclift, 1982). This research has uncovered that the articulation between large industrial and locally-owned trucking companies on the Great Northern and Acadian Peninsulas plays an important role in determining the balance between the dependency and resilience of these local companies.

1.4 The Research Question

This dissertation examines the ways locally-owned trucking companies in Atlantic Canada, and specifically on the Great Northern Peninsula of Newfoundland and Labrador

and the Acadian Peninsula of New Brunswick succeed and fail. In chapters four to six it answers three critical exploratory questions left unanswered in the sociological literature reviewed to this point. First, what are the demographic similarities between the Great Northern and Acadian Peninsulas and how do these factors impact locally-owned trucking companies in each peninsula? These issues are examined in Chapter Four. Second, how has the gradual transition to transportation policy, which favours market rationality over service provision, impacted locally-owned trucking companies' development on the peninsulas? This is examined in Chapter Five. Third, what are the factors that allow some locally-owned trucking companies in one region (the Great Northern Peninsula) to respond creatively to dependency by mobilizing their capacity to become resilient against dependency while in the other (the Acadian Peninsula) they remain vulnerable to it? This is examined in Chapter Six.

1.5 Theory and Research Design

With the rationale for research questions guiding this project established, I will now briefly examine the methodological and theoretical frameworks that have been used to collect and interpret the data presented in chapters four through six. Methods and research design will be more fully examined in Chapter Two, and the theoretical model explaining the concept of resilient enterprises within dependent regions is presented in detail in Chapter Three. Canadian political economy, and specifically, the Canadian dependency theory that emerged within the new Canadian political economy movement in the 1970s, is the primary theoretical influence for this dissertation. Canadian dependency theory's primary strength is its regional focus – bringing to the fore regional power imbalances

within a developed, industrial, capitalist country. Dependency within Canada is signified, ironically, by the underdevelopment of regions with the "good fortune to be blessed with an abundance of good staples" (Schmidt, 1981: 70) and the resulting uncertainty derived from successive rounds of resource extraction controlled largely by exogenous capital. Canadian political economy has adapted dependency theory's original interest in Latin American colonial societies in order to examine why regions within Canada – particularly Atlantic Canada (Clow, 1983; Warriner, 1988) – appear destined to be sites for the extraction of raw materials with few industrial linkages (Drache, 1982), while other regions have avoided this and enjoy increased prosperity based on industrial and commercial diversification (Winson, 1985; Cadigan, 1992: 49).

Substantially influenced by the findings of the early *dependistas* (Panitch, 1981; Schmidt, 1981; Wood, 1989), a central theoretical position within Canadian dependency theory was that underdeveloped regions suffer from "overspecialization in raw resource extraction [which] leads to a pattern of uneven development and to the subdivision of a nation state into core and periphery regions" (Warriner, 1988: 495). Apostle (1999) has argued that dependent communities in Canada today reflect the relationship between "governmental deregulation, economic privatization, and a growing fusion of cultural and economic processes" (p. 77). The appeal of dependency theory for Canadian theorists is its explanation for the reason why some areas within Canada develop more quickly and more fully than others, despite the abundance of natural resources in the less-developed regions. Much of this research affirms the long held principle within dependency theory that underdeveloped regions can support only underdeveloped industrial development (Dunaway, 1998; Leitner, 1998; Gardner, 2000). This literature demonstrates that the

production as well as the transportation of consumer goods within dependent regions, and most importantly from dependent regions to consumer markets in more developed regions, is almost always controlled by capital located outside these regions. Out-of-region companies seldom have substantial investment in the regions themselves, and have even less interest in maintaining transportation networks for the well-being of dependent regions (Bunker, 1994; Cicantell and Bunker, 1998). This conceptualization of the role of commodity transportation in capitalist societies, especially the use of transportation in the maintenance of conditions of economic dependency, is applicable to the analysis of locally-owned trucking companies in Atlantic Canada.

Canadian dependency theorists, along with many of their counterparts elsewhere, have been criticized for presenting a theoretical model that is incapable of accounting for resilient enterprises within dependent regions. Clay and Olson (2008) argue that many resource dependent communities are vulnerable (p. 143). Vulnerability, which is the lack of capacity for social action, reflects a broad range of factors from individual choice to changing demographics (Tuler et al., 2008). However, vulnerability is seldom universally experienced within any particular dependent region (Berkes et al., 2003; Ommer, 2007). Resilience is seen alternately as either the capacity to change in productive ways or the capacity to resist negative pressure by maintaining constancy. Regardless of the outcome of resilience, it is fundamentally reflective of a local capacity to mobilize against uncertainty that is largely absent in vulnerability. Resilience, in this sense, serves at least partially to counterbalance the consequences of regional dependency. This research presents data that supports the possibility of the coexistence of pockets of resilience within dependent communities.

The impetus for examining resilient enterprises within dependent regions emerged from the analysis of data collected through a multi-method research design. First, this dissertation presents a detailed demographic profile of both the Great Northern and Acadian Peninsulas. This is instructive as no direct comparison of the regions had been undertaken prior to this research. It demonstrates that both peninsulas are seemingly experiencing the most sustained uncertainty attached to dependency of any communities in the Atlantic region generally. With this analysis in place, it was possible to examine the development of transportation policy in the region. Second, this research constructs a detailed overview of regime shift from transportation-as-service to transportation-as-business in Canadian transportation policy, reflecting the gradual infiltration of neo-liberal ideals stressing deregulation and rationality at the expense of regional development. This analysis demonstrates that within the context of neo-liberalism, there is very little legitimate space for the maintenance of commodity transportation as a tool for regional development. This has had a significant impact on locally-owned trucking companies' abilities to operate efficiently, or at all, on both peninsulas. Third, the most significant evidence for the existence of resilient enterprises within dependent regions is the comparative case studies of locally-owned trucking companies on the Great Northern and Acadian Peninsulas. The following description of the case study locations demonstrates their particular usefulness for the examination of dependency and resiliency within the theoretical framework that has been introduced and will be developed further in Chapter Three.

1.6 Research Locations

By many measures of economic well-being, Atlantic Canada lags behind other locations in Canada. Within Atlantic Canada, the Great Northern and Acadian Peninsulas are consistently counted as among the region's least developed locations and are similarly dependent on natural resources extraction as a source of economic wellbeing (economic capital) and community development (social capital). In both Newfoundland and Labrador and New Brunswick, economic and social dualism between commercial hubs and less technologically and/or industrially developed areas persists and shapes patterns of economic development in each province. In Newfoundland and Labrador, the Avalon Peninsula including the provincial capital of St. John's enjoys industrial diversification, economic growth, and commercial success. The Great Northern Peninsula, by contrast, is characterized by low population density and major concerns about out-migration declining industrial revenue, natural resource extraction, and lack of industrial development (Sinclair, 1985; Ommer 2007). In New Brunswick, the southern half of the province, bound by the triangle between Fredericton, Saint John, and Moncton – New Brunswick's three largest cities – contributes the bulk of the commercial and industrial development in the province. The Acadian Peninsula, by contrast, is characterized by geographically isolated communities with little diversity in industrial output, less commercial development, higher than average unemployment and reliance on natural resource extraction.

Underdevelopment in Atlantic Canada has manifested itself throughout the region (Clow, 1983; Marchak, 1985; Wood, 1989; Laxer, 1989; Innis, 1999). The entrenchment of natural resource extraction has significantly impacted patterns of social and economic

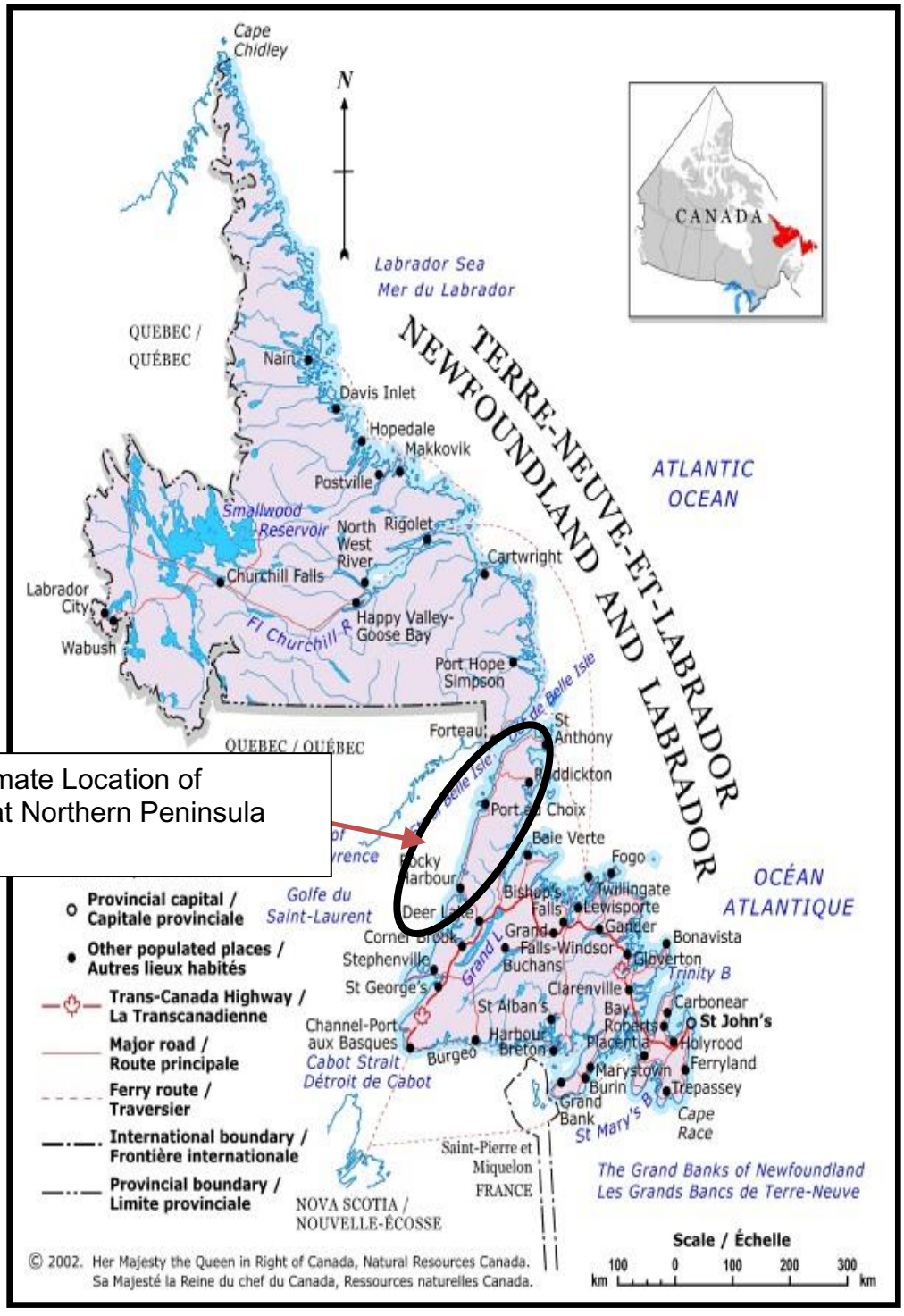
development on both the Great Northern Peninsula of Newfoundland and Labrador (Sinclair, 1985: Warriner, 1988; Palmer and Sinclair, 1997) and the Acadian Peninsula of New Brunswick (Clarke, 2000). Social life on the peninsulas is similar by several measures, yet it is perhaps the pervasive influence of uncertainty that best defines both regions. Communities along both peninsulas experience uncertainty in everything from the provision of adequate social services and the maintenance of infrastructure, to the preservation of local culture in light of out-migration. Both peninsulas are comparably isolated regions, even by Atlantic Canadian standards, without direct access to the Trans-Canada Highway corridor. This effectively acts as a barrier to efficient trucking in the regions as links to other regions are complicated by secondary highways, longer driving times, and consequently little justification to operate in the regions. Both peninsulas also experience the harsh climate associated with being adjacent to open waters.

Of primary importance for this research is the varying uncertainty experienced by locally-owned trucking companies as they articulate between the demands of their customers and the broader trucking industry off the peninsulas. Given the similar geographic and climatic realities, the lack of commercial or industrial diversification and similar demographic profiles, a direct comparison of the locally-owned trucking sector on the Great Northern and Acadian Peninsulas is valid. Each region will now be presented in more detail:

Things have never been easy on the Great Northern Peninsula of Newfoundland and Labrador. A culture of resilience is in large part responsible for keeping the quality of life high and disguising what is, for many, a very meagre existence (Felt and Sinclair, 1991; Felt and Sinclair, 1992). The Great Northern Peninsula of Newfoundland and

Labrador (Figure One) is one of the most industrially underdeveloped regions in the province. It relies on natural resource extraction – primarily fisheries and forestry products – for its economic well-being (Felt and Sinclair, 1991; Hamilton and Seyfrit, 1994).The region's seasonal and unpredictable fisheries exports, combined with increasingly untenable commercial forestry operations, limited industrial development and low population density place unique demands on trucking companies in the region. Corner Brook, considerably south of the Great Northern Peninsula`s southern boundary, is the closest industrial and commercial centre, as well as the regional hub for regular trucking service on the Great Northern Peninsula. This location is noted in Figure One.

Figure One
Newfoundland and Labrador with the Great Northern Peninsula Highlighted

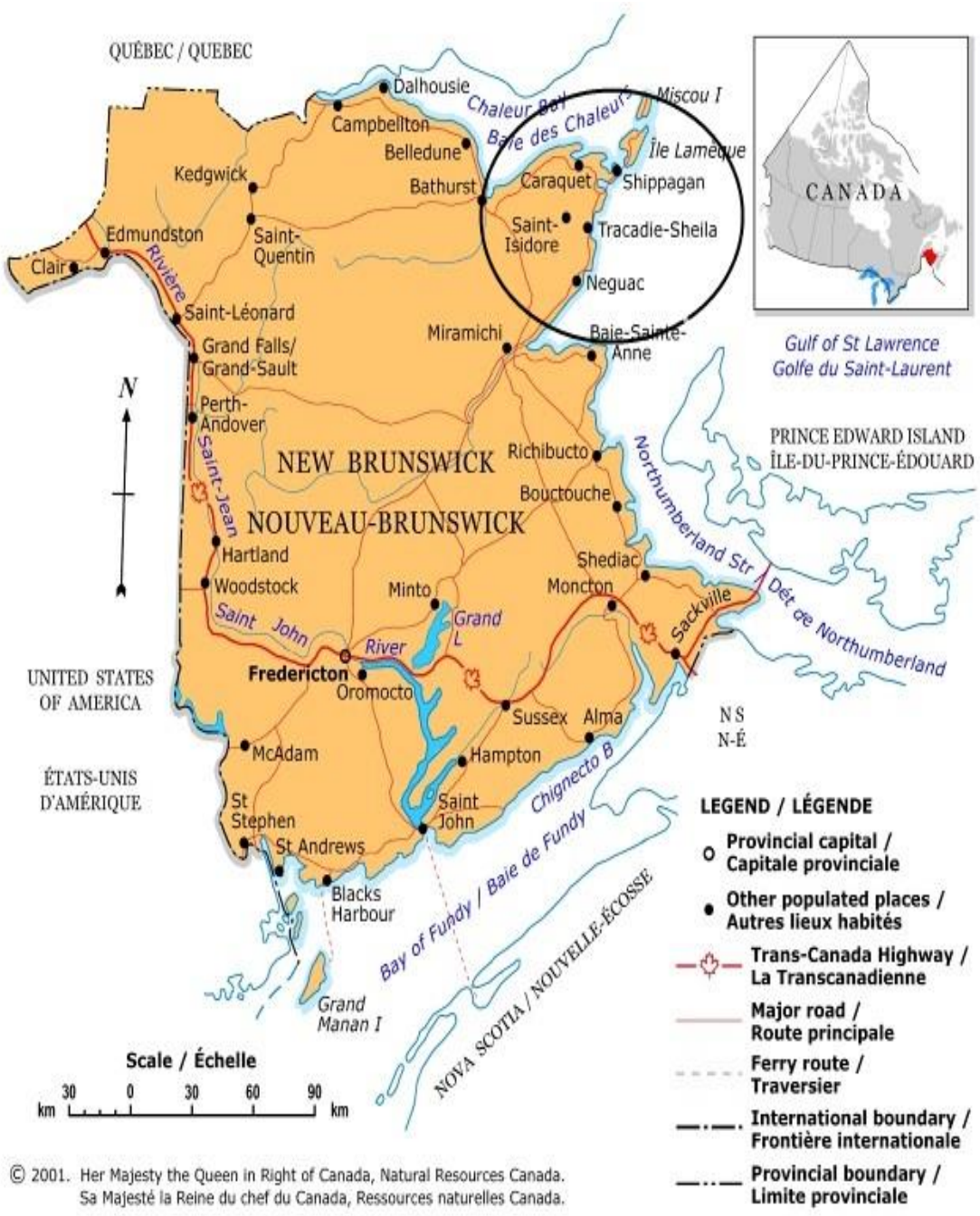


Approximate Location of the Great Northern Peninsula

The Acadian Peninsula (Figure Two) is not as clearly defined geographically as the Great Northern Peninsula. Its boundaries are partly cultural, reflecting the region's strong Acadian and Francophone heritage. Like the Great Northern Peninsula, the primary economic activity on the Acadian Peninsula is natural resources extraction. Fisheries and forestry contribute significantly to the region's well-being. Zinc mining adjacent to the Peninsula and an internationally-integrated peat moss harvesting operation in the southern part of the Peninsula[1] are also major employers and economic contributors to the region generally. There is a limited agricultural sector in the region, although like the Great Northern Peninsula, agriculture is generally engaged in for personal subsistence and is itself rarely a commercial activity. The Acadian Peninsula, like the Great Northern Peninsula, is not directly serviced by the Trans-Canada Highway. The cities of Bathurst, Miramichi, and Moncton (known as the hub-city for its strategic importance as first a rail and now a trucking hub) are commercial centres for both truck and rail transport in New Brunswick and greatly influence the structure and scope of trucking services offered on the Acadian Peninsula.

[1]Retieved from http://www.gnb.ca/0398/business/know/index-e.asp

Figure Two
New Brunswick with the Acadian Peninsula Highlighted



1.7 Locally-owned Trucking

Newfoundland and Labrador has only one trans-provincial highway corridor for commercial truck traffic, from Channel-Port aux Basques to Corner Brook, and on to central and eastern points in the province. The vast majority of exports routinely shipped from the Great Northern Peninsula are transported by truck initially. Trucks that haul goods into the rural communities on the Peninsula also play a substantial role in the process of moving the region's exports to markets throughout North America. As the Great Northern Peninsula is removed from the main provincial trucking corridor and, unlike the Acadian Peninsula, has no viable commercial truck route through it to other destinations, most warehouse facilities relied upon by locally-owned companies on the Peninsula are located adjacent to it in Corner Brook. All commodities imported to the Great Northern Peninsula enter by truck, and the vast majority of this freight is moved through warehouse facilities in Corner Brook. Similarly, virtually all of the Peninsula's exports arrive first at Corner Brook and are then transported to the Marine Atlantic ferry service in Channel-Port aux Basques. A considerably smaller volume of freight moves from the province's east coast to the Great Northern Peninsula.

Trucking on the Great Northern Peninsula is dominated by two companies with a longstanding local presence and experience of operating in the less-than-truckload[2] (LTL) sector. The transportation of industrial goods in the truck-load[3] (TL) sector is dominated by major national or international carriers, reflecting little industrial demand for TL

[2] LTL or **less-than-truckload** shipments are typically small loads collected from various shippers and shipped on the same trailer to a hub terminal where the freight will be further sorted and distributed.
[3]TL or **truckload shipping** is the movement of large volumes of cargo, generally the amount necessary to fill an entire trailer and generally being shipped to a single customer.

services on the Great Northern Peninsula. The TL and LTL sectors generally do not compete – trucking companies or segments of trucking companies often develop specialization and market share in one sector and thus operate only within that sector.

One major advantage facing trucking companies operating on the Acadian Peninsula is that the region can be driven through, so that deliveries can be made to any location on the peninsula without having to factor the costs and delays associated with returning without a load. Whereas delivering freight on the Great Northern Peninsula is, by definition, a u-turn, trucking on the Acadian Peninsula is more accurately conceptualized as a detour. This, when coupled with generally easier navigation, higher population, more commercial development and generally less extreme weather conditions, allows locally-owned trucking companies on the Acadian Peninsula to operate under marginally more hospitable conditions. There are additional operational differences between locally-owned trucking companies on the Great Northern and the Acadian Peninsulas. First, central Canadian markets, as well as many major east coast US markets, are a day's drive from the Acadian Peninsula, as opposed to at least two or three days from the Great Northern Peninsula, including a necessary, though unpredictable, ferry crossing.[4]

Unlike Newfoundland and Labrador, New Brunswick is home to significant capacity in the trucking sector. Three of the largest Canadian trucking firms in the LTL sector – Armour Transport, Day and Ross Transport, and the Irving Group of Companies (Midland Transport and Sunbury Transport) – all have significant warehouse facilities in

[4] The difficulties of the ferry crossing are discussed by interviewees in Chapter Six, and summarized in Chapter Seven.

Moncton, a couple hours south of the Acadian Peninsula. Additionally, unlike the Great Northern Peninsula`s locally-owned companies, the majority of the local trucking companies on the Acadian Peninsula operate in the TL sector. The significance of this distinction for understanding the resilience and dependency of locally-owned trucking companies on both Peninsulas will be discussed at length in Chapter Six.

1.8 Thesis Outline

This chapter has introduced the methodological strategies employed in this research, including demographic analysis of the Great Northern and Acadian Peninsula and a review of the impact of regime shift in transportation policy in Atlantic Canada. The rationale for the choice of case study locations has also been outlined. Finally, dependency theory and most notably, the potential for resilience of locally-owned trucking industry on both Peninsulas have been introduced. Chapter Two describes the methodological difficulties generally associated with the examination of the trucking industry by reviewing the problems encountered with the initial research design of this project and similar difficulties experienced in other trucking-related research. The interview techniques used in this research are also described and the practicality of case study methodology in the research project is discussed.

Chapter Three reviews the development of dependency theory within the broader theoretical influence of Canadian political economy and proposes that many of the key elements of dependency theory effectively account for the structure of locally-owned trucking on both the Great Northern and Acadian Peninsulas. It also pushes the traditional scope of dependency theory by demonstrating its inability to fully account for the

capacity of resiliency within dependency.

Chapter Four reviews the political economy of both the Great Northern and Acadian Peninsulas and presents a contemporary demographic profile of both locations in order to demonstrate the regions' continued economic marginalization. Chapter Five examines the consequences of regime shift in the Canadian transportation policy-making agenda, indicating a philosophical shift in transportation policy in alignment with broader political shifts towards neo-liberalism in late 20th century capitalism. Chapter Six presents case studies of the locally-owned trucking industry in both research locations, including data collected from interviews with trucking company owners, policy makers, regional economic development officials, and major users of trucking services in both regions. Chapter Seven summarizes the findings of the current research, and discusses its policy implications while suggesting complementary additional research. Finally, it draws a number of conclusions about the relationship between dependency and resilience within locally-owned trucking companies on the Great Northern and Acadian Peninsulas.

CHAPTER TWO

Research Design and Methodology

Trucking is consistently among the most commonly reported occupations for Canadians. In 2006, Statistics Canada calculated that there were over 275,000 truck drivers nationwide. It is not surprising, then, that commercial truck traffic seems ubiquitous. In Atlantic Canada, given the lack of widespread commercial transportation alternatives in many communities its prevalence is amplified. Despite this, devising a successful research strategy to accurately account for the locally-owned trucking sector in Atlantic Canada has required a reinterpretation of many of the preconceptions about the way for-hire trucking ought to operate in Atlantic Canada. As one interview participant noted, the way trucking works in this region "just wouldn't work in Toronto." Reflecting the unique character of locally-owned trucking on the Great Northern and Acadian Peninsulas, this chapter presents the expected and unexpected methodological requirements to complete this research as well as the empirical knowledge gained through successive revisions of these strategies. First, it reviews the key methodological issues that have been addressed in previous research. Next, it examines the modification of data collection procedures that employed within this project and how each successive modification has positively impacted the depth of understanding of the locally-owned trucking sector on the Great Northern and Acadian Peninsulas. Finally, it presents the successful research design, incorporating comparative case studies, in detail.

Truck drivers are a fluid population. Driver turnover rates in some Canadian trucking companies reach nearly 100 per cent annually (Canadian Trucking Human Resources Council, 2012) and drivers' availability is further compromised by the nature

of their work. For many truck drivers, frequent extended, and unpredictable, periods on the road interspersed only with short breaks at home limit their availability for and and willingness to become research subjects. Additionally, the deregulation of the trucking industry has increased pressure to succeed for many drivers, leading to the emergence of a distinct occupational culture based on skepticism of outsiders. Truckers' work inis intense and ensures that most truck drivers live by the adage of "Work when you have to, sleep when you can." To be successful in the world of Canadian trucking requires continual attention to time – time use on the road as well as time spent at home. In an environment with these kinds of constraints, time spent not working or at home is time wasted in the eyes of many truck drivers. When so many unexpected barriers can delay deliveries, truck driving wisdom calls for drivers to strive to arrive at their destination as early as possible. At best, they may be able to schedule another delivery into their workday. As one truck driver noted: "If the wheels ain't turning, I ain't earning" (Fleming, 2002). For researchers, this has led to a necessity of ensuring that drivers feel their time is not being wasted by participation (Agar, 1986; Day, 2006).

2.1 General Observations about Researching Truck Drivers

The most effective sociological analyses of truck drivers have been completed by drivers-turned-sociologists (Ouellet, 1991; Rothe, 1991), or participant observers with unfettered access to the work worlds of truck drivers, which they gained by extensive travelling with individual truck drivers willing to invite the researchers into the intimate space of their truck cabs (Hollowell, 1968; Agar, 1986). Unfortunately, the viability of these research methods has been called into question in light of driver and participant safety, insurance

liability, and a work place environment that is not as hospitable as it may once have been. One cannot blame truck drivers for being unwilling to share the confined space of a truck cab with an absolute stranger. Additionally, as would become clear in the research design process of this project, the small number of truck drivers operating in both case study locations and their relatively unique working conditions exacerbated the difficulties of data collection.

From the outset, I sought to find the most accommodating ways to gather data from truck drivers while keeping in mind the balance that was to be sought between access to participants and rigorous data collection. This process, however, was fraught with difficulty and delay. It is useful to discuss these difficulties in detail as they help explain why so little sociological research has been conducted into the trucking industry. The initial phase of research design was based on two miscalculations of trucking on the Great Northern Peninsula. First, the size of the trucking industry on the Peninsula was overestimated. Second, the organizational structure of the local trucking industry – the ways locally-owned trucking companies do the work they do – proved to be unlike anything this researcher could have anticipated. The combination of research methods employed in this research has allowed me to examine locally-owned trucking companies on both the Great Northern and Acadian Peninsulas as case-studies within the social, economic, and cultural contexts of the relationships they have formed within the communities in which they operate.

2.2 The Original Research Design

> The task of critical research, then, is to make explicit… the creativity of their mode of seeing and acting in the structures within which they find themselves. Equally important, researchers should actively learn from their informants, and revise their own thinking in response to what they discover. (Hansen and Muszynski, 1990, p. 17)

The original research design for this dissertation aimed to construct a methodological framework that would allow the formulation of a political economy of the trucking industry on the Great Northern Peninsula of Newfoundland and Labrador. The assumption that motivated this project was influenced by dependency theory and assumed that any locally-owned trucking companies on the Great Northern Peninsula would very likely be marginalized by more competitive trucking capital from outside the region. It was also assumed that both truck drivers and the owners of small trucking companies on the Great Northern Peninsula would be struggling to maintain a sustainable living while providing acceptable levels of service to local customers.

Reflecting these assumptions, the primary goal of this research was to test dependency theory's assertion that local industrial development in underdeveloped regions is, by definition, underdeveloped. The original research design centered on face-to-face surveys with truck drivers working on the Great Northern Peninsula in order to collect comparative data about the challenges they faced while working in the region. Face-to-face surveys were chosen to facilitate what was anticipated to be less than ideal interview conditions where longer, recorded interviews would not likely be possible. Of course, face-to-face interviews are most productive when there would be a large pool of participants from which to gather these data. This would prove not to be the case on the Great Northern Peninsula. The weakness of the choice of face-to-face surveys manifested

itself most clearly in two significant observations which would come to have a significant impact on this project's conclusions. First, trucking on the Great Northern Peninsula is dominated by locally-owned companies who operate largely within or adjacent to the geographic boundaries of the peninsula itself. Second, many of the truck drivers operating on the Peninsula were not owner-operators, thus challenging the industry-wide trend outside of the region which has seen continual growth in owner-operators as low-cost, low-responsibility labour for trucking capital.

To more fully incorporate the uniqueness of the trucking industry on the Great Northern Peninsula unstructured interviews were incorporated into the research design to ensure that the data collected from the region's truck drivers would have both the depth and breadth needed to make accurate statements about them (Gillman, 2005). This modification also addressed issues of researcher bias – assumptions about how a population should look or act – by minimizing dependency theory's influence in the data collection process. In essence, "by allowing people to talk freely without imposing a researcher's prior assumptions on the study, [unstructured interviews] provide an excellent opportunity for getting direct access to a substantive domain" (Krause, 2002, p. 264).

Interview respondents were treated as key informants. The use of key informants encourages the incorporation not only of current data but also of information about past events or ways of life that are no longer observable by the researcher.[5] This allowed for greater understanding of the historical context in which the locally-owned trucking sector on the Great Northern Peninsula emerged than would have otherwise been possible.

[5] Retrieved from http://web1.msue.msu.edu/msue/imp/modii/iii00004.html

The additional of key informant interviews requires greater time commitments from both the researcher and the informants themselves. Securing interviews with key informants required considerable flexibility on the part of the researcher. When potential informants' availability changed at the last moment (which occurred on several occasions), interviews had to be rescheduled, often at considerable expense given the difficulty associated with travel to the field and the low probability of securing alternate, unplanned interviews while there. It was not uncommon during the data collection process to travel several hours and then have hours to wait between interviews, during which time no additional data collection could be accomplished as there were simply no available truck drivers. On two occasions, interviews were secured on the spot, or through word of mouth contacts, often through casual conversation, after community members became aware of the research goals and the difficulty in achieving them. However, the impromptu nature of these interviews led to several interviews being conducted in less than ideal conditions – over a meal or with several interruptions. The nature of trucking on the Great Northern Peninsula as well as many of the factors which have influenced its resilience (weather, terrain, little industrialization) have also influenced the ability to conduct this research in a timely manner. On one occasion, a research trip had to be cancelled (although later rescheduled) because I was delayed for over twelve hours on the ferry to Newfoundland and Labrador. In one wait of several hours at the only truck stop servicing the Great Northern Peninsula, which is located at the intersection of the Trans-Canada Highway and the only Highway onto the Peninsula, only three trucks stopped, and none of these was destined for the research area. It was later determined that as all points on the Great Northern Peninsula were within a day's drive of all other points on the peninsula, truck

drivers working on the peninsula commonly avoided the truck stop, opting for home-packed meals eaten on the road.

Additionally, an attempt was made to secure interviews while drivers were fueling vehicles. But many truck drivers use automated 'card-lock' systems for fueling; these locations are private property and access is limited. Furthermore, none of these facilities is located on the Great Northern Peninsula. Rather, they are adjacent to the Trans-Canada Highway, and used by truck drivers travelling throughout the entire province. Several days of fieldwork conducting interviews with key informants, including travelling to places truck drivers normally frequent, resulted in very little interview data. This experience allowed for insight into the social reality of trucking on the Great Northern Peninsula and prompted another restructuring of the research design.

Each modification of the research design has provided considerable insight into the structure and organization of trucking on the Great Northern Peninsula which would have been difficult to uncover otherwise. As such, these modifications are discussed here not as weaknesses but as crucial elements leading to a depth of understanding that has been crucial for the development of the theory of resilient enterprises within dependent regions presented in detail in Chapter Three. For example, it became clear early on that most truck traffic coming to the Great Northern Peninsula arrived in Newfoundland and Labrador via the Marine Atlantic Ferry in Channel-Port aux Basques. Reflecting this, an attempt was made to secure interviews at the ferry terminal itself. Two problems quickly emerged with this modified research design and each of these has further contributed to an understanding of how trucking works on the Great Northern Peninsula. First, truck traffic using the ferry service is destined for all parts of Newfoundland and Labrador and,

reflecting the low population and sparse commercial and industrial demands of the Great Northern Peninsula; very little freight arriving in Channel-Port aux Basques is destined to the peninsula. Second, an analysis of ferry operations uncovered the process of drop-trailering – a crucial element of the resilience of locally-owned trucking companies on the Great Northern Peninsula. Drop-trailering comprises the bulk of truck freight movement on the ferry service and is actively encouraged by the ferry operator (Transport Canada, 2005).[6] Most trucks arriving at the ferry terminal in North Sydney, Nova Scotia, simply drop off a trailer, pick up another, and leave. Similarly, Newfoundland and Labrador-based trucks deliver trailers to the ferry terminal in Channel-Port aux Basques, pick up loaded trailers that Marine Atlantic staff has loaded on the ferry in North Sydney, and carry them to their destinations throughout the Island.

The alternative to drop trailering, a much less common option, is live-load hauling. This method involves drivers hauling their trailers onto the ferry, staying with the load, and disembarking from the ferry upon arrival in either Channel-Port aux Basques or North Sydney. This option is considerably more expensive and carries with it the likelihood of cost overruns due to ferry delays and inclement weather. Consequently, the only live-load traffic is that which is absolutely necessary. Typically, live-loads destined for Newfoundland and Labrador consist of TL freight carried by owner-operators with single-load contracts to Newfoundland. In many cases, these loads either require specialized delivery or are carried on equipment owned by the individual driver. In either instance, drop-trailering is an impractical option.

[6] The impact of Marine Atlantic's drop-trailer services on the organization of trucking on the Great Northern Peninsula will be discussed in more detail in Chapter Six.

The prevalence of drop trailering at the Marine Atlantic facilities in Channel-Port aux Basques, limited this researcher's access to drivers. Many truck drivers involved in drop trailering spend no time on the ferry and little if any time at the terminal. While live-load drivers were a potential source of interviews, access was limited due to the fact that many of these drivers often spent pre-boarding time in their trucks awaiting loading instructions from ferry officials, as they cannot reserve space ahead of time. Ferry crossings are loaded on a first-come, first-serve basis, and drivers typically do not take the chance of missing their sailing.[7] Once on the ferry, many drivers opt to use the crossing time to bank 'off-duty' hours and sleep in preparation for the rest of their trip. A further limit to the usefulness of live-load drivers for this research is that scarcely any TL freight is destined for the Great Northern Peninsula, invalidating these drivers as potential interview participants. As evidence of the lack of truck-load freight destined to the Great Northern Peninsula, one St. John's based trucking company owner with experience in live-load operations indicated that for every 300 loads his company brought to Newfoundland and Labrador, about one would be destined to the Great Northern Peninsula.

Three specific modifications to the original research design have shaped the way data was ultimately collected within this research. First, the original and subsequent research strategies were informed by a misconception of the impact of and responses to dependency by locally-owned trucking companies on the Great Northern Peninsula. It

[7] The standard for loading commercial truck traffic at the Marine Atlantic ferries has been the 'load and go' model in which reservations cannot be made. In Spring of 2010, a reservation model for commercial traffic was introduced, against the will of the Atlantic Provinces Trucking Association. Under pressure, the mandatory reservation system was eliminated in the fall of 2010, reverting back to the load and go program. Retrieved from http://www.cbc.ca/news/canada/nova-scotia/story/2010/10/29/ns-marine-atlantic-reservations.html

was assumed that economic marginalization caused by the region's limited diversity in commercial development would negatively influence the way consumer commodities produced elsewhere were transported into the region. Locally-owned companies' ability to devise constructive ways of overcoming, or at least balancing out, the impact of regional dependency were not accounted for. Second, it was assumed that most trucking in the region was delegated by exogenous trucking firms to local owner-operators, who would, consequently, be pressured to shoulder the increasing burden of higher operating costs themselves. Reflecting evidence presented in contemporary analyses of the trucking industry, it was assumed that subcontracting would relinquish exogenous trucking capital from any responsibility for local drivers' economic well-being while operating in the unpredictable environment of the Great Northern Peninsula. Indeed, this assumption is not without merit in the broader Atlantic Canadian context. A 'race to the bottom' in Atlantic Canadian trucking, spurred by transportation policy regime shift, has been set in motion (Fleming, 2002). Third, the original research design overlooked the crucially important role played by the Marine Atlantic ferry crossing, which operates as both a geographic and operational barrier to outside competition which locally-owned trucking companies on the Great Northern Peninsula have managed to skillfully manipulate. Truck drivers destined for the Great Northern Peninsula have proven to be largely inaccessible or were indistinguishable from the general public and consequently not available to be interviewed. Day's research on the role-set of truck drivers was hampered by similar difficulties in selecting suitable key informants (Day, 2006, p. 52). Despite popular cultural images of what truck drivers should look like, they are difficult to spot in a crowd

and are often wary of talking to strangers about the work they do (Day, 2006, p. 54; Fleming, 2002).

2.3 The Final Research Design

The successful research design accounts for the unique characteristics of locally-owned trucking companies while attempting to uncover their operating strategies in the face of dependency. Changes made reflect a careful examination of the causes of the shortcomings of previous research strategies and allow for the presentation of locally-owned trucking companies as case studies within dependent regions. Additionally, the final research design allowed a comparative case study analysis of a demographically similar region in Atlantic Canada to the Great Northern Peninsula of Newfoundland and Labrador – the Acadian Peninsula of New Brunswick. This has allowed comparison of locally-owned trucking companies in their responses to dependency, taking into account the role of a variety of social, economic, cultural, and geographical factors.

Locally-owned trucking companies on the Great Northern and Acadian Peninsulas, rather than the regions themselves, are the focus of the case study. Examining locally-owned companies as case studies has allowed my focus to shift from individual truck drivers to the owners of locally-owned trucking companies. This is both a practical and a methodological refinement. First, trucking company owners are considerably easier to access. Second, company owners are particularly well qualified to discuss the ways in which they tailor their operations to meet the unique demands placed on them.

The strength of case study research is its ability to incorporate mixed methods to supplement what is, in many instances, a smaller data pool than would be common with

other research methods. Case studies are also well suited to understanding complex social relationships and are particularly useful when researching previously unexamined social structures and relationships. They are a practical option for researchers seeking to gather information from difficult-to-access populations. Case studies bring to the fore the voices of 'local experts' who can provide detailed context for actions and reactions that may otherwise have been overlooked. It is a methodological choice that privileges local knowledge – a significant contributor to the resilience of locally-owned trucking companies on the Great Northern Peninsula.

Case studies are historically contextualized understandings of people's ways of doing things – how people experience and shape their social reality (Yin, 1989; Wilson, 2004; Creswell, 2007). Case study research allows for deep analysis of a single community or social structure over time (Creswell, 2007, p. 74; Beckley et al., 2008, p. 57). A criticism of case studies, however, is that they often depend on a single case, limiting the potential for comparative analysis or generalizability. For this reason, case studies are ideally suited to exploratory research, where the primary goal is not to uncover findings that can be generalizable, but rather that offer a depth of understanding of a unique set of social relations defined by the terms of the case itself. Case study research is also useful in collecting data from 'closed' workplaces and informants that are difficult to access (Hakim, 2000, p. 67). While trucking may not be considered a closed workplace in the traditional sense, the solitary and transient nature of truckers' work makes it very difficult to gain access to the workplace. In this research, these conditions are exacerbated by the geographical isolation of the Great Northern and Acadian Peninsulas and the small scale of their locally-owned trucking operations.

Creswell (2007), paraphrasing Stake (1995), provides guidelines for conducting effective case study research. First, case study researchers must establish the case study criteria in such a way as to allow for *purposeful sampling* – a methodological choice which prompts researchers to choose case studies on the basis of their ability to provide particularly rich data (Creswell, 2007, p. 75). Case studies are most useful when researchers select cases that portray different perspectives on problems, processes or events. Second, case study researchers must incorporate extensive data collection in the examination of the case in question. Yin (1989) recommends five types of data to collect: documents, archival data, interviews, direct observations, and physical artifacts. Third, case study researchers must choose either holistic or embedded analysis of data with the goal of examining a few key themes. It is important to keep in mind that the choice of a few themes is not to allow for generalization outside of the case, but rather to permit understanding of the complexity of the case at hand. Fourth, case study research is presented in two stages: (a) within-case analysis, providing a detailed description of the themes within a case, and (b) cross-case analysis of similarities and differences between cases. Finally, the "lessons learned" (Creswell, 2007, p. 75) are presented and the case study is concluded.

The data collected as part of this research have conformed closely to Creswell's elements. First, purposeful sampling has underlined all stages of this research. Data have always been sought from the key informants – those with longstanding local knowledge and community respect. Policy and public documents of historic relevance have also been examined. Second, data collected in support of this analysis have included, in addition to interview data, demographic profiles of both the Great Northern and Acadian Peninsulas,

as well as a detailed examination of the ways in which trends in transportation policy have impacted the growth of locally-owned trucking companies on the peninsulas. Combined, these multiple sources of data have allowed a regionally and historically contextualized understanding of the social, economic, cultural and geographical influences on the development of locally-owned trucking companies on the Great Northern and Acadian Peninsulas. Now I will focus more precisely on the defining elements of the case study design in this research.

As this research project began with the intention of examining locally-owned trucking on the Great Northern Peninsula, it has been framed as a case study. The locally-owned trucking sector on the Acadian Peninsula is framed as an additional case study which has allowed for comparisons between locally-owned trucking companies in both regions and has contributed to understanding the unique resilient capacity of locally-owned companies on the Great Northern Peninsula specifically. Preliminary data collected as part of previous research designs indicated the existence of developmental patterns in the trucking industry on the Great Northern Peninsula that were seemingly unique to the region. Interview respondents in both case studies have been purposely selected from two important groups: (a) those within the trucking industry itself, and (b) policy makers and others with professional knowledge relating to trucking operations and policy.

The interview schedule used to guide the interviews conducted in both case studies followed the principles of depth interviewing (Hakim, 2000). Depth interviews are particularly useful when "the purpose of the study is to uncover and describe the participants' perspective on events. Interviews were guided by the understanding that:

"the localized world of the individual or group is no longer treated as an end in itself…Rather, actual practice – how things actually work – become the focus of investigation" (Grahame, 1998, p. 352). Interviews were guided by three central themes that emerged early in the research process: (a) working conditions within the trucking industry and the uniqueness of operating on the Great Northern and Acadian Peninsulas; (b) the importance of factors beyond the control of locally-owned trucking companies such as culture, weather, geographic, and industrial development; and (c) the relationship between locally-owned trucking companies and competition from outside the regions. Within each of these themes, interview participants were encouraged to expand on the issues they deemed to be most important, reflecting their privileged status as local experts. In response to the miscalculations of previous research designs, the final research design adopted a decentered standpoint (Smith, D., 1997) that privileged the knowledge and experiences of the respondents over the preconceptions and potential misunderstandings – the "ideological baggage" (Bergman and Coxon, 2005: 2.1) – of the researcher. The goal was to uncover what Nagy refers to as thick description of social phenomena (Geertz, 1973; Lincoln and Guba, 1985).

Apart from interviews with those directly involved in the region's locally-owned trucking sector, interviews were secured on the Great Northern Peninsula from several additional sources, including Regional Economic Development boards operating in the region. These boards were responsible for coordinating industrial activities, encouraging economic growth, and coordinating relationships between industry and policy makers at

the municipal, provincial, and federal levels of government.[8] Following the principles of snowball sampling, interviews with knowledgeable participants from the regional economic development boards facilitated contact with owners of local trucking companies. Additional data were collected through interviews solicited via lists of trucking companies on the Great Northern Peninsula provided by the Regional Economic Development Boards in Zone Six (Nordic) and Zone Seven (Red Ochre). Lists of trucking companies operating on the Great Northern Peninsula were secured through membership information provided by the Atlantic Provinces Trucking Association. Ultimately, the data collection process revealed that there are two locally-owned trucking companies operating regularly in the less-than-truckload sector on the Great Northern Peninsula. Owners of both of these companies have been interviewed, and the data collected from these lengthy interviews form the basis for the Great Northern Peninsula case study (Company A and Company B respectively discussed in Chapter Six).

Purposeful sampling was also used in the selection of interview participants from two large industrial enterprises on the Great Northern Peninsula. The manager of Daniel's Harbour Fish Hatchery, which employs local and regional trucking companies to move supplies into the fish hatchery site, was interviewed, as was the individual responsible for coordinating shipping and receiving for Eastwood Lumber Mill located in Cormack at the base of the Great Northern Peninsula. While it was later learned that the mill itself does not coordinate the transportation of raw materials into the mill or finished products from the mill, raw materials transportation does generate work for independent truck drivers located on the peninsula. A manager at Corner Brook Pulp and Paper, the only TL sector

[8] Retrieved from http://nlreda.ca/content.php?cid=48&nav=68&tab=2

employer with a regular presence on the Great Northern Peninsula, was interviewed. Also interviewed were the manager of the Corner Brook Port Corporation, responsible for the administration and regulation of trucking services for material entering or leaving Newfoundland and Labrador through the port facilities at Corner Brook, a senior policy maker with the Newfoundland and Labrador Department of Works, Transportation, and Services, and officials with Marine Atlantic, the Crown Corporation controlling passenger and freight ferry movement to the province of Newfoundland and Labrador. Executive members of the Newfoundland and Labrador Independent Trucking Association, as well as the Newfoundland Trucking Association, the Atlantic Provinces Trucking Association, and the Owner-Operators' Business Association of Canada provided important information. Additionally, informal interviews were conducted in conversations with local residents on the Great Northern Peninsula. In total, 15 interviews were conducted on the Great Northern Peninsula ranging between 30 minutes and over two hours. As discussed earlier in this chapter, this represents a substantial proportion of those directly involved with locally-owned trucking in the region.

Hakim argues that the addition of a second case study contributes to the validity of case study research by allowing unique social patterns uncovered in the first case study to be more clearly elucidated, while offering the validity associated with comparing similar cases (Hakim, 2000, p. 62). Analysis of data collected during the case study of locally-owned trucking companies on the Great Northern Peninsula strongly indicated that the sheer undesirability of the region in the eyes of off-island trucking companies, along with the substantial barrier posed by reliance on ferry transportation, have significantly impacted these trucking companies' responses to regional dependency. To

assess the uniqueness of the situation uncovered on the Great Northern Peninsula, a second case study location – the Acadian Peninsula – was added. The Acadian Peninsula seemed likely to enjoy the benefits of a more fully capitalized locally-owned trucking sector due primarily to its more favourable geographic position and industrial prospects. The purpose of the second case study is to assess whether there is a positive correlation between more diversified industrialization, higher population density and competition with national transportation networks and the structure of locally-owned trucking companies in dependent regions.

In support of the second case study, interviews were conducted with the president of the Chaleur Regional Economic Development Corporation, management at the Port of Belledune (the largest commercial port on the Acadian Peninsula), and the president of the Atlantic Provinces Trucking Association. Finally, members of the conglomerate of interests attempting to secure the development of a freight ferry service between the Acadian Peninsula and Corner Brook, NL were interviewed. On the Acadian Peninsula, a significant portion of the data relating directly to the role played by the major national carriers in the region has, in the absence of company participation, been collected through interviews with respondents capable of critiquing their role from outside the ruling relations (Smith, 1987), including the regional economic development officials who have witnessed firsthand the impact of competition in the region's trucking sector. With the exception of a few medium sized companies that have managed to remain competitive, the rest of the region's trucking is left to small companies – many of whom engage in for-hire truck driving as only one component within a framework of occupational pluralism including road construction and specialized services to the mining and forestry sectors.

Many of these operations are seasonal and often employ only one piece of equipment. For the most part, individual truck drivers operating on the Acadian Peninsula proved to be difficult to interview for many of the same reasons as their counterparts on the Great Northern Peninsula.

Securing interviews with out-of-region trucking companies on the Acadian Peninsula proved to be impossible. It is commonly understood amongst those with knowledge of the Atlantic Canadian trucking industry that the largest trucking companies in New Brunswick do not participate in research activities. My past research on owner-operators in the province of New Brunswick was unsuccessful in gaining access to these companies, and conversations with other trucking industry insiders in the province have confirmed that these companies will not divulge information about any aspects of their operations to outsiders. For this research, the major companies all declined participation and when asked to clarify their position, no response was given.

Trucking on the Acadian Peninsula is dominated by three major Canadian firms headquartered in the province. The large firms operate in both the truckload and the less-than-truckload sectors, and each operates over 1,000 pieces of equipment. These are some of the largest, most efficient trucking companies in the Canadian market place. While none of these companies operates exclusively in Atlantic Canada, they have considerable reach into the region and, generally, have the capacity to undercut or outbid smaller carriers on any loads they choose. These companies control most of what moves into and around the region generally, including the Acadian Peninsula. The impact of out-of-region companies on the Great Northern Peninsula, by contrast, is limited by several factors, including ferry services and the perceived undesirability of the Newfoundland

and Labrador market as well as contractual relationships with locally-owned companies on the Great Northern Peninsula, which essentially eliminate any direct competition.

On the Acadian Peninsula, the three dominant companies are in direct competition and, presumably for this reason, are not willing to discuss any aspects of their business. While it would have been very insightful to interview representatives of the large firms, the organizational culture of these companies limits access to them. On several occasions a representative from one of the large national players had indicated that their cooperation in this research would not be secured. When asked to provide some context for their decision, the uniform response, implying company policies of not divulging operating information, was: "We do not participate in research." Follow-up requests for explanations as to the unwillingness of these companies to participate in this research were forwarded to each of the companies, but no responses were received. Despite these measurable shortcomings, however, the Acadian Peninsula case study has uncovered definite trends in locally-owned trucking in the region and contains adequate data for comparative purposes. Upon completion of the case study on the Acadian Peninsula, interviews ranging from 30 minutes to well over two hours were conducted with 10 informants.

The data collected as part of each case study of locally-owned trucking has been contextualized by two additional sources of data collected and examined as part of this research. First, a review of the key elements of each case study location's historic political economy, highlighting the impact of a culture of domestic commodity production and reliance on resource extraction, as well as a thorough review of current demographic trends in both regions is presented in Chapter Four. Second, a thorough

review of transportation policy as it applies to each case study location and the broader Atlantic Canadian community, with a specific intention of demonstrating how regime shift has exacerbated the conditions of dependency faced by locally-owned trucking companies in both regions has been presented in Chapter Five

2.4 Research Ethics and Funding

This research was initially funded as a contribution to the *Coasts under Stress* research project administered jointly between Memorial University of Newfoundland and the University of Victoria to examine the impact of restructuring on the well-being of Canada's coastal communities. *Coasts under Stress* was a five-year project that started in April 2000. It integrated university-based researchers from participating universities with partners in government, business, non-governmental organizations and First Nation groups. *Coasts under Stress* was genuinely interdisciplinary research. Carefully-designed collaborative case studies on the East and West Coasts of Canada were constructed to achieve an integrated analysis of the long- and short-term impacts of socio-environmental restructuring on the health of people, their communities and the environment.[9]

The research design presented as part of this dissertation was approved by the *Interdisciplinary Committee on Ethics in Human Research* (ICEHR) at Memorial University of Newfoundland. All participants were informed of the nature of this research and of the processes in place to safeguard their anonymity. They were also given the opportunity to ask additional questions about the research and to request a summary upon its completion. Consent forms, signed by the researcher and the research participants,

[9] www.coastsunderstress.ca

reiterated the aims of this research, discussed the value of their participation for the completion of the project, and informed participants of their rights with regards to the use of data collected from them as part of this project. All respondents were specifically told of their right to refuse to answer any particular question or terminate the interview at any time, as well as to recall part or all of the data provided during the interview at any point prior to the completion of the project. These rights were also made explicitly clear on the consent form left with all respondents. A copy of the consent form is appended at the end of this project (Appendix A). Permission was requested to digitally record and store interview data and transcripts until the completion of the research project. When electronically recorded interviews were impossible or impractical, handwritten notes were taken. These notes, as with the transcripts of the recorded interviews, have been stored independently of identifiable information about the interview respondents and will be destroyed upon completion of analysis. No enticements or offers of incentives, financial or otherwise, were given to respondents when soliciting interviews.

2.5 Final Reflections on the Research Design

The process of designing a research plan to reflect accurately the social reality of locally-owned trucking on the Great Northern and Acadian Peninsulas has contributed significantly to delaying the completion of this research. The research budget was quickly used up on largely unsuccessful attempts at data collection and subsequently employment commitments have slowed the process of data analysis. On a positive note, however, much insight into the unique structure and organization of locally-owned trucking companies in dependent regions was gained through the process of attempting to impose

what was, ultimately, an unrepresentative model that reflected the way things *should* be (according to the model), while ignoring the social reality that presented itself. This realization was hard-earned and costly; however, it also prompted an extensive inquiry into the resilience of locally-owned trucking companies on the Great Northern and Acadian Peninsulas. This analysis has complemented the original theoretical assumptions rooted in the dependency approach that guided the original, incomplete, research design. What has emerged from the analysis of the case studies introduced in this chapter, and in light of the modifications in research design discussed here, has been evidence of sustained patterns of resilience within dependency. Methodological pitfalls have spurred theoretical innovations that may have otherwise remained buried in the complexity of the social reality of locally-owned trucking on the Great Northern and Acadian Peninsulas. These theoretical innovations are presented in detail in Chapter Three.

CHAPTER THREE

A Theoretical Model for Understanding Resilient Enterprises within Dependent Regions

> Theory, for its part, is never final and complete; it is always in the process of development. (Aglietta, 1979, p. 15)

Each element of this research, from conception and design to data collection, has been influenced by the political economy of regional dependency in Canada. The processes of data collection and analysis, however, have revealed scales of social and economic resilience within locally-owned trucking companies on the Great Northern Peninsula that cannot be fully accounted for within the framework of Canadian dependency theory. A weakness of Canadian dependency theory is that, generally, it has not fully accounted for the variety of responses to conditions of dependency (Cardoso and Felleto, 1969; House, 1981). Accordingly, this chapter re-interprets Canadian dependency theory by presenting a theoretical model of resilient enterprises within dependent regions. This reconceptualization responds to the critique that both dependency and resilience are often implicitly presented as regional or community phenomena without a clear understanding of who is included, and as importantly, who is excluded in both (Sacouman and Veltmeyer, 2005, p. 13).

The model presented in this chapter allows the relationships between dependent communities and the locally-owned trucking companies that operate in them to be viewed as elements of complex social-ecological systems that can simultaneously produce structural conditions of dependency while contributing to expressions of resilience. To be clear, the goal of this chapter is not to minimize the effects of dependency on the Great Northern or Acadian Peninsulas. Similarly, it is not argued that the locally-owned

trucking companies in these regions have somehow fully escaped the impacts of dependency. Rather, the theoretical model presented here is a framework with which to reinterpret how the complex interaction between social, economic, cultural, and geographic factors on the Great Northern Peninsula has been more conducive to the development of resilient locally-owned trucking than it has on the Acadian Peninsula.

This chapter builds on definitions of community and social-ecological system resilience, and argues that one iteration of resilience within dependency is the capacity for resilient enterprises within dependent regions to respond creatively, and in a sustained fashion, to the marginalizing influences of dependency in ways that alleviate the impact of that dependency, while the structural conditions of dependency remain largely intact. To arrive at this point, this chapter discusses the origins of the dependency approach within Canadian political economy. Next, it proposes an understanding of the existence of scales of social, economic, and cultural resilience in dependent communities that distances itself from the determinism of traditional dependency theories.

3.1 The Political Economy of Dependency

In a series of case studies of economic development in single-resource dominated regions, Harold Innis referred to the culmination of successive rounds of resource extraction from which there was no viable economic escape as the *staples trap*. A staples trap is the result of the "peculiar tendencies" (Innis, 1999, p. 401) of the Canadian economic structure wherein hinterland economies come to be trapped in the service of metropolitan industrial capital as suppliers of abundant cheap resources and captive markets for the finished products (Neill, 1972; Easterbrook and Watkins, 1984). Within the Innisian model,

hinterland regions are almost always characterized by little local control of extraction and, consequently, little ability to control domestic economic activity. Similarly, as metropolitan capital generally has little interest in the long term economic health of hinterland regions, relatively little industrial or economic diversification beyond the immediate – temporary – needs of resource extraction is necessary. Innisian predictions for the long term viability of staples producing economies are pessimistic.

The unavoidable result of the staples trap was the gradual yet inevitable economic and environmental deterioration of the hinterlands. Hinterland economies were theorized to be trapped in a process of economic production and accumulation over which they have no control. If the demands of the metropolitan regions outpace the supply provided by hinterlands, these regions become victims of de-industrialization in the search for more abundant resources elsewhere. If the supply provided by hinterlands outpaces demand, resource extracting regions experience the consequences of diminished demand for domestic resources, followed predictably by economic downturn, unemployment, and population decline. The well-being of staples producing regions reflects the value of the staples they provide to the metropolises that dominate them. Invariably, this value decreases over time, leaving in its wake regional remnants of staples production: defunct industries, depleted resources, and depressed economies.

Eventually, the focus of liberal regional economic development scholars turned to the principles of modernization theory and Innis's conceptualization of the staples trap was restructured as a temporary stage in regional economic development instead of a permanent social and economic condition. Innis's legacy, however, would return to the fore with the emergence of interest in regional economic development in Canada within

the context of the New Canadian Political Economy of the 1970s. Innis' enduring influence in the Canadian context, however, would, in the hands of Canadian political economists, borrow heavily from the work of the Latin American dependency theorists.

The resurgence in interest in regional economic development by Canadian sociologists was shaped by an intellectual interest in comparing patterns of international dependency and imperialism and regional inequalities in Canada. The foundations for dependency theory emerged in the work of Cardoso and Felleto (1979) and other Latin American scholars who explained established patterns of capitalist imperialism in the developing world. Dependency theorists expressed a clear affinity for the Marxist political economy of capitalist imperialism, which align them philosophically with the emergent New Canadian Political Economy of the 1970s . Dependency theory was made accessible to North American scholars by Andre Gunder Frank as a radical alternative to the liberal political economy of modernization theories (Frank, 1979; Sacoumand and Veltmeyer, 2005). A core element of Frank's dependency thesis, and one that would come to be the cornerstone of Canadian dependency theory, was the assertion that the most economically underdeveloped regions globally have all experienced similar historic patterns of successive rounds of resource extraction and imperialism dominated by capitalist states:

> An examination of the location of the most ultra-underdeveloped 'depressed' regions in the new world today… reveals that they are all regions in which an earlier period of primary products production for export from the region had given way to decadence after their mines, soil, timber, or market, were exhausted in the course of world capitalist development. (Frank 1979, p. 23)

Once patterns of natural resource extraction become entrenched into the economic, social and political structure of dependent regions diversification beyond extraction becomes untenable, and local control of extraction becomes impossible. Reflecting Marx's conception of capitalist imperialism, relations of dependency necessitate the development and maintenance of two types of nations within the global capitalist system. Core countries are defined by high levels of industrial diversification and a concomitant high need for raw materials to fuel economic growth. Capitalist expansion in these countries quickly consumes any locally-produced natural resources and prompts imperialist tendencies to emerge in the search for new, secure, sources of raw materials. Peripheral nations become entrenched in unequal exchange relationships in successive rounds of expanded accumulation (Frank, 1979, p. 24). As industrial growth of the core intensifies, the conditions of dependency in the peripheries intensify (Gereffi and Fonda, 1992, p. 423).

The Canadianization of dependency theory that spurred the growth of the New Canadian Political Economy in the 1970s (Panitch, 1981, p. 7) sustained academic interest in the economic consequences of Canadian regionalism and reignited the debate about regional disparity, economic output, and regional disparities (Collins, 1986). Regional patterns in resource extraction within Canada are widely acknowledged as symbolizing, and further entrenching, exploitative relationships between core and peripheral regions nationally. As its primary theoretical distinction, Canadian dependency theory exposes the intersections between historic patterns of capitalist development, persistent regional disparities, and imbalances in political power and influence within Canadian regions generally and in particular in the case of the Atlantic region.

Canadian dependency theory builds upon the Innisian legacy of staples production, but has attempted to align itself more firmly with Marxist analyses of capitalist imperialism (Matthews, 1981, p. 278; Panitch, 1981) and, secondarily, with Marxist theories of class exploitation (Gereffi and Fonda, 1992). Dependency theory's tangential interest in class structure has resulted in criticism based on its perceived inability to reconcile regional human and social capital differences that may contribute to (or mitigate) patterns of regional dependency (Panitch, 1981). Similarly, other critics have suggested that dependency theory overstates the marginalization of resource-extracting regions in capitalist nations (House, 1981). This rescaling of dependency to allow it to become more readily applicable to the Canadian context is presented in Panitch's (1981) attempt to rescue dependency theory conceptually from its theoretical weaknesses and find within it a way to render it useful for understanding regional disparities within a wealthy capitalist nation.

Directly addressing the question of the rightful place of dependency theory in Canadian political economy, Bickerton (2003) suggests its role as a central, yet contested, theme and one that requires further development. More recently, Ommer, proposing a multilayered approach to understanding the interaction between dependency and resilience, notes that with regard to the enduring dependency of Canada's coastal communities:

> So long as everything depends on ownership/control and so long as property and ownership regimes support external control, the social-ecological health of a country, region, or community is at the whim of a global market and individual profit-focused investors. We do not control our own destiny. (Ommer, 2007, p. 440)

Examining the role of agency shapes the understanding of resilience in dependent regions presented in this chapter. Matthews (1981), Clow (1983, 2005), Saunders (1984), Wood (1989), Brodie (1990), and Summers (1994) all incorporate radical political economy theory as the basis for their analyses of regional economic underdevelopment in the Atlantic Provinces. House (1981), and Felt and Sinclair (1995) address similar concerns but indicate that dependency is not the only factor explaining social life in Atlantic Canada.

Sinclair (1994) has called for the reevaluation of Canadian dependency theory by more adequately accounting for the role of the interaction between agency and structure in dependent regions. He argues that "we should not assume that geography is the exclusive or fundamental determinant of Atlantic Canada's condition" (Sinclair, 1994: 196). Just as regions cannot be said, logically, to exploit other regions (this is done by capitalists within regions), Atlantic Canada has undoubtedly been influenced by unique patterns of domestic commodity production used to support economic activity both formally and informally that do not contribute to locally-controlled capitalist development (Cadigan, 1992; Kennedy, 1997). Sinclair (1999) argues that there is a clearly cultural dimension to the 'staples problem' of the Atlantic region. Patterns of exploitation and impoverishment in Atlantic Canada are based, in part at least, on "social relations internal to the region" (Sinclair, 1994, p. 200).

One common theme to be drawn from these interpretations of Canadian regional dependency is that dependency is not a natural state; neither is it an evolutionary stage for future economic development. Rather, it is a result of capitalist expansion in some places and the lack of similar expansion in others. Another assertion is that the politics of

confederation have formally entrenched Canadian regional underdevelopment (Brodie, 1990; Clow, 1983, 2005). Echoing this from the perspective of Newfoundland and Labrador's enduring dependency, Cadigan (2006) states that "the regional politics of Confederation have become largely the mediation of competing capitalist interests for the sake of legitimizing capitalism overall" (p. 168).

Perhaps the defining feature of Atlantic Canadian dependency is the region's sustained existence within a dynamic economic and social environment over which it has limited control (Sacouman and Veltmeyer, 2005; Sinclair, MacDonald, and Neis, 2006, p. 181; Ommer, 2007). The efficient transportation of raw materials from peripheries and, subsequently, the importation of consumer goods from core regions maintain relations of dependency in peripheral regions. Commodity transportation in peripheral regions sustains underdevelopment in those regions by speeding up the process of circulation of raw materials out of the region (Marx, 1981). In keeping with the principle of expanded reproduction, the pace and scope of resource extraction in peripheral regions are continually intensified until resources become scarce (Sinclair, 1985; Sinclair, MacDonald, and Neis, 2007). This results in the entrenchment of commodity transportation systems in peripheral regions that reflect other economic developments regionally so that:

> In most of the export economies, the domestic transportation system, to say nothing of port facilities and foreign shipping lines, only facilitated the extraction of the raw materials to, and the introduction of manufactured and other goods, from the metropolis. (Frank, 1979, p. 120)

Locally-owned trucking companies on the Great Northern and Acadian Peninsulas are instructive examples in this regard. These companies are unable to escape the laws of

motion of capitalist development into which they have been integrated. Yet, they are not *entirely* subsumed by exogenous capital. The conditions of Atlantic Canadian dependency reflect the complexity of the social relationship between actors within and outside of the region. Dependency in Atlantic Canada is not simply regarded as "a matter of having to rely on others for the provision of goods … it entails a reliance on external actors for the completion of basic economic processes" (Gidengil, 1990, p. 29). It is both an economic condition and a social practice (Bickerton, 1982, p. 192) that begins with the process of natural resource extraction (Drache, 1982, p. 22) and is facilitated by the transportation of natural resources out of the region for further processing.

Regions with little diversified industry generally will have commodity transportation sectors that exhibit very little diversification (Beer and Boswell, 2002). Regions with little locally-owned industrial output will have little opportunity or need for locally-controlled commodity transportation. Intensified extraction and export depend upon efficient commodity transportation networks that reflect the industrial demands of the core (Clement and Williams, 1997, p. 46). The ultimate goal of most commodity transportation, regardless of its social importance in rural regions, is transporting raw materials away from the periphery in return for finished goods from the core (Frank, 1979, p. 120). This is, as Peyrega (1976) notes, commodity transportation`s ultimate goal in capitalist society

> Transport's 'final' contribution is to maintain in being, and even to dig deeper, the gulf of inequality between the two types of region (center and periphery). Exchange and development are of an unequal nature which the operation of the transportation system only accentuates, and will thus amplify the tendencies inherent in the socio-economic system. (p. 60)

Transportation networks and the economic structures that influence them confront one another at the "intersection of naturally occurring topography and socially created technology" (Bunker, 1992, p. 68). Research examining commodity transportation in dependent regions indicates a direct correlation between underdeveloped, exogenously controlled industry and underdeveloped, exogenously controlled commodity transportation systems. These developments are particularly devastating given the finite nature of the resources themselves and the fact that technological developments in both the transportation infrastructure and the technology of production hasten the process of underdevelopment (Warriner, 1988, p. 507; Leitner, 1998, p. 127). The laws of capitalist expansion dictate that easily accessed resources are consumed first and quickly (Janes-Hodder and Sinclair, 2002). This leaves only difficult-to-access resources to support the long term financial stability of the underdeveloped regions (Clapp, 1998, p. 131). Expanded extractive technology of a finite resource, complemented by transportation technology controlled outside of the region, quickly diminish the resource in question, and thus the productive capacity of the region generally.

Case studies from Appalachia and Northern Michigan document the increasing intensity of the flow of resources to core regions from dependent suppliers (Leitner, 1998; Dunaway, 1998). Establishing transportation networks in peripheral regions is expensive business. The financial commitment required of transportation capital becomes a potential economic rigidity that further negates the possibility of profitable endogenous industrial development (Drache, 1982, p. 34). Dunaway (1998) argues:

> Producing the surplus commodities or constructing infrastructure was not enough to effect articulation with the world economy. As part of the

> incorporation process commodity transportation networks were organized to benefit distant trade centres. (p. 114)

Aptly summarizing this argument, Leitner states that "peripheral, raw material supply regions will end up little better, and often worse, than the way they were before becoming extractive regions" (Leitner, 1998, p. 125). Ultimately, within the framework of dependency theory, commodity transportation, like all other industrial pursuits in peripheral regions, hastens the social process of underdevelopment. As Marx (1994) argued:

> Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past. The tradition of all the dead generations weighs like a nightmare on the brain of the living. (p. 15)

Canadian dependency theory is heavily influenced by what Hayter and Barnes (2001) have labeled the Innisian triad of geography, institutions, and technology (p. 37). The primary economic consequence of dependency is that the extraction of natural resources in peripheral regions and the transportation of those resources from peripheral economies to core economies are ultimately controlled by industrial players in core economies whose goal is to make profits. The extraction process preempts any long term industrialization in peripheral regions. Commodity transportation systems in peripheral regions can only exist to expedite the movement of natural resources from the periphery. Any benefits associated with resource extraction or commodity transportation at the local level would be temporary and coincidental. As long as production and exchange in the region are controlled exogenously and organized for the benefit of capitalist expansion in

the core, the conditions that led to underdevelopment will, and must, continue (Marchak, 1985).

Locally-owned trucking companies on the Great Northern and Acadian Peninsulas are undeniably constrained, to varying degrees, by broader relations of dependency in the region. They exist as independent businesses, but the success of their business is significantly determined by markets for the regions' natural resources outside the region. These companies' ability to survive within dependency reflects their capacity to respond creatively to it. Inability to respond effectively, equally shaped by community factors beyond their control, indicates dependency. The capacity for creative industrial perseverance within dependent regions has been largely overlooked within the dependency approach (Bickerton, 1982, p. 201; Carroll, 1985; Donoghue and Sturtevant, 2007, p. 906). As the transportation needs of the core change and new innovations in technology emerge, unneeded transportation networks in peripheral regions are abandoned with potentially serious social consequences (Sullivan, 1978; Bunker, 1992, p. 68; Lietner, 1998). This chapter draws a conceptual line between transportation that is *in* peripheral regions and transportation that is *of* peripheral regions; the former contributes to continued dependency and the latter, albeit much less common, provides a potential pathway to resilience within dependency.

3.2 The Political Economy of Resilience

> Resilience appears to be a common phenomenon that results in most cases from the operation of basic human adaptation systems. If those systems are protected and in good working order, development is robust even in the face of severe adversity. (Masten, 2001, p. 227)

The political economy of dependency examines the development of asymmetrical power relationships between core and peripheral countries and regions, and argues that in capitalist societies, local governance in the latter is circumscribed by the economic interests of the former. Conversely, a political economy of resilience uncovers the capacity for emancipatory and transformative development strategies by local actors within dependent regions (Heller et al., 2009, p. 291). A popular conception of resilience views it as "the community's ability to respond and adapt to change in the most positive, constructive ways possible for mitigating the impacts of change on the community" (Harris et al., 2000, p. 7). The literature on social and community resilience is influenced by several disciplinary traditions from ecology, to psychology, to disaster and risk analysis. This section will engage with these contributions in order to construct a sociological theory of resilient enterprises within dependent regions. The model for resilient enterprises within dependent regions presented here seeks to be theoretically inclusive and reflective of the empirical data presented in the following three chapters. First, this section reviews resilience theories, focusing on the relationship between what can be classified as theories of (a) social-ecological systems and (b) community resilience (Chaskin, 2008). Finally, it conceptualizes resilience within the context of political economy and provides a framework for resilient enterprises within dependent regions that builds on early attempts to account for variations in the responses to dependency at the community level (Cardoso and Felleto, 1979; House, 1981). It also incorporates contemporary research findings that present resilience within the context of complex system model developed by Berkes et al. (2003) and further elucidated by the Coasts

under Stress project (Ommer, 2007) which indicate the necessity for examining multiple scales of, and multiple capacities for, resilience in otherwise dependent regions.

Theories of resilience have traditionally focused on one of two foci for determining the genesis of the capacity to respond to stressors: (1) resilience reflecting the complex ecosystem relationships characteristic of social-ecological systems, and (2) resilience reflecting the complex social, economic, and cultural relationships which define communities. Sociological interest in resilience is usually constructed within the context of an analysis of community resilience yet builds upon the importance placed on recognizing that human development occurs within complex ecosystems as opposed to being outside of, and protected from, them. This section will examine the theoretical intersections between social-ecological system and community resilience in order to lay the foundation for an analysis of resilient enterprise within dependent regions.

Social-ecological systems are "linked systems of people and nature" (Simon, 2009) that account for the complex social, economic, and cultural relationships between people and resources in dependent communities. Social-ecological system resilience is often defined within the context of the relationship between natural and human ecosystems; by definition, between nature and society (Berkes et al., 2003; Redman et al., 2004). Theories of social-ecological system resilience offer a unique perspective from which to analyze dependent communities' capacity to recover from, and respond creatively to, ecological disasters (Miletti, 1999; Manyena, 2006; Mayberry et al., 2009).

Developments in the theory of the resilience of social-ecological systems seek to account for the remarkable ability of some to withstand tremendous stress (Holling, 1973) or natural disasters (Manyena, 2006). Ecosystems with multiple pathways and

connections are resilient (Rose, 2004). Resilient systems respond to and incorporate change, yet remain consistent and within crucial thresholds. Their responses to exogenous pressures are not simply reflected in their capacity for transformative change, but also, in certain circumstances, their ability to maintain the inherent stability within the system in question. In this regard, resilient ecosystems respond to pressure by incorporating the impacts of change while maintaining enough of their internal structure to remain recognizable over time. Resilient ecosystem behaviour is also "self-organized" (Gunderson, 2000: 430). Resilient ecosystems have the capacity to turn crises into opportunities.

Community resilience privileges "ordinary magic" (Masten, 2001) by examining the relationship between individuals and communities that sometimes emerge as the result of the economic and social conditions of dependency. As Sinclair argues, in dependent communities "economic organizations function in a physical and social environment that is never static and that managers must consider when deciding how their business should operate" (Sinclair, 1994, p. 181). More recently, Chaskin (2008) has noted that within resilient communities:

> Social capital and local institutions…shape contexts that promote the resilience of community members, and respond to threats or opportunities that have collective implications for community well-being. (Chaskin, 2008, p. 69)

Resilient communities are those with the capacity to "bounce back from the inevitable disruptions that occur in any economy" (Charles et al., 2009: 31). Further, they "create memory, legacy, diversity and the capacity to innovate in both social and ecological components of the system" (Flint, 2010, p. 48). Vulnerable, dependent,

communities can become resilient if they have the capacity to implement and maintain control over three core elements: (i) legitimacy, (ii) capacity to set their own agenda, and (iii) access to social capital (Adger, 2000, p. 351). Within this conceptualization, resilient communities are those with the capacity to maximize their human and social capital in productive ways. As Chaskin (2008) argues: "the interaction of human capital, organizational resources, and social capital within a given community [are] leveraged to solve collective problems and improve or maintain the wellbeing of a given community" (p. 70).

Whereas dependency theory explains economic relationships that reflect the exercise of power between groups and regions, resilience theories explain social responses to relations of dependency through mobilization of community capacity (Sager, 1988, p. 141; Chaskin, 2008, p. 66) in the absence of alternatives (Veltmeyer, 1986, p. 63; Felt and Sinclair, 1991, p. 46; Ommer, 2007). Theoretical models of resilience emerge from a desire to conceptualize community in a way that demostrates the complex interplay between social, ecological and geophysical systems (Chaskin, 2008; Miller et al., 2010) with the aim of uncovering the complex relationship between local factors contributing to vulnerability and those contributing to resilience. An overarching theme within theories of community resilience is the goal of accounting for the social processes by which communities, or segments within communities, either become or fail to become resilient (Adger, 2000; Walker et al., 2004) or, more recently, rural communities' ability to respond to natural disaster (Chaskin, 2008; Mayberry et al., 2009). Alternatively, community resilience can also be defined as the capacity communities, or segments of

communitie, have to transform social or economic crises into developmental opportunities by orientating local response in productive ways (Adger, 2000, p. 349).

In this regard, community resilience theories tend to echo Magis' claim (2010) that resilience is an indicator of social sustainability. It is instructive at this point to introduce the framework for understanding community resilience employed by the *US Roundtable on Sustainable Forests* which states that resilient communities are those in which some social actors successfully find ways to "thrive in an environment characterized by change, uncertainty, unpredictability, and surprise" (p. 402). Woven through each of the theoretical contributions discussed to this point is the notion that resilience, at whatever scale it presents itself, is reflective of the ability to respond productively to social change. Magis (2010) notes that "community resilience exists within and because of change. Community resilience recognizes, accepts, builds capacity for, and engages change" (p. 408).

When resilience is achieved within structural conditions of dependency, it is the result of a unique combination of "structural factors that…enable communities to succeed" (Beckley et al., 2008). Marshall et al.'s (2007) theory of community dependency and resilience examines how conditions of dependency often undermine community resiliency in resource dependent communities. Dependency manifests itself in communities' social and economic relations. As Marshall et al. (2007) note: "when people with a strong occupational attachment suddenly face the prospect that they are no longer able to continue in their current occupation, they not only lose a means of earning an income, they lose an important part of their self-identity" (p. 364). Economic dependency certainly influences the size, scope, and nature of business development in

dependent communities. Yet, the capacity to work around, or at least within, economic structures of dependency is strong in many dependent communities (Felt and Sinclair, 1992; MacDonald and Clow, 1999; Mayberry et al., 2009). The extent of the impact of economic dependency in any community is inversely related to the system's resiliency. Marshall et al. see community resilience as emerging from the impact of dependency on four key elements of social life in resource extracting communities each of which figure prominently into the data collected from locally-owned trucking companies on the Great Northern and Acadian Peninsulas as presented in Chapter Six: (i) Perception of Risk: the amount of disturbance a system can absorb and still retain the same structure and function, (ii) The Ability to Plan, Learn, and Reorganize: the degree to which the system is capable of self-organization, (iii) Perception of the Ability to Cope with Change: the degree to which the system can build and increase the capacity for learning and adaptation, and (iv) The Level of Interest in Adapting to Change: the extent to which local social capital can be mobilized in productive ways, shaped by demographic, cultural, and individual dimensions of the community in question (Marshall et al., 2007, p. 361).

Data presented in Chapter Six demonstrates that that locally-owned trucking companies on the Great Northern and Acadian Peninsula express resilience in varying degrees. Neither Peninsula itself, however, can reasonably be assumed to be resilient. In this regard, the model of resilience proposed by Berkes et al. (2003) and adapted in the Canadian context by the Coasts under Stress research team (Ommer, 2007) offers additional insight. Social policy and the actions and understandings of policy makers as well as the general climate of neo-liberalism in which marginalized rural communities are

treated with growing skepticism and disdain impact the likelihood of resilience. From this perspective, it is not unreasonable to assume that scales of resilience sometimes emerge in otherwise marginalized communities and, furthermore, that these pockets of resilience may represent fundamentally new ways of doing things. This resilience within dependency, presented in Chapter Six as resilient enterprises within dependent regions requires that resilient locally-owned trucking companies have the "capacity to create a fundamentally new system…when conditions make the existing system untenable" (Walker et al., 2004, p. 5). Achieving resilience within dependency is not akin to passive perseverance. It is "about action taken, not simply capacity to act" (Magis, 2010, p. 405). Further, there it is argued that scales of resilience beget future capacity for resilience (Flint, 2010, p. 55). Resilient locally-owned trucking companies, it will be demonstrated in Chapter Six, are those that are able to maintain this viability by actively responding to the factors seeking to limit it in ways that work within the communities in which they operate.

Resilience has been theorized by some as an end state – a goal in itself – in community development. In this sense, it may be tempting to discuss the emergence of resilient communities in evolutionary terms as if rural communities followed a path from dependency to resilience (Herath, 2008, p. 822). Community resilience has also been conceptualized as a tool for survival – a means to an end – in which elements within dependent communities are selectively mobilized to increase community capacity generally (Sydnor-Bousso, 2009). From this perspective, dependent communities do not simply *become* resilient communities (Manyena, 2006, p. 437). Rather, they experience varying degrees of social, economic, and cultural stability and wellbeing that reflect the

extent to which conditions of dependency can be managed in socially, economically, and culturally viable ways. It is widely accepted that dependent communities have a varying capacity to combat social and economic vulnerability (Beckley, et al. 2008, p. 57; Wilson, 2004; Page et al., 2009). Echoing the argument of varying scales of resilience presented in the Coasts under Stress findings (Ommer, 2007), resilience within dependency in the context of this research is an examination of the responses of locally-owned trucking companies to conditions of dependency and their varying ability to adapt to them in ways that promote their social, cultural, and economic viability.

3.3 Resilient Enterprises within Dependent Regions

The preceding discussion of the evolution of the political economy of resilience is instructive in three ways for the theoretical model of resilient enterprises within dependent regions presented here. First, it draws attention to the need to elaborate fully the interaction between human and natural systems and their impact of community resilience. Second, it demonstrates that while it is tempting to assume an inherently conservative understanding of resilience as systems' ability to return to pre-crisis situations – in fact, resilience is sometimes best exemplified as engaging in radical change. Finally, it demonstrates that resilience is not equally distributed amongst all institutions within communities, but that instead, scales of resilience – resilient enterprises – can, but do not always, flourish within dependent communities. It is reasonable to assume that there are various scales of resilience in any complex community system that may be simultaneously marginalized, vulnerable, strong, or resilient.

A general weakness of the dependency perspective has been its assumption that all peripheral states will respond to economic marginalization in narrowly defined terms (Bruszt and Greskovits, 2009, p. 412). Some dependent states can, at best, achieve a limited degree of resilience against dependency. This resilience is limited to responding to conditions of dependency as opposed to actively working, in a pre-emptive matter, to achieve resilience within dependence. One point of challenge, however, emerged over 40 years ago. Cardoso and Felleto's (1979) critical analysis of unorthodox dependencies, presented in *Dependency and Development in Latin America,* uncovered patterns of development that challenged the assumption that peripheral nations respond uniformly to conditions of dependency. Unorthodox dependency was later reaffirmed in Tavolaro's (2008) work on patterns of dependency in contemporary Brazil.

Cardoso and Felleto (1979) argued that while capitalist economies are almost always premised on relations of inequality, human agency, when mobilized, can effectively challenge marginalization. They define this process as unorthodox dependency, indicating a change in the structural relationship between core and peripheral regions. Some peripheral regions, they argued, were becoming less dependent by undermining the structures that maintained in place the relations of dependency that benefitted core capital. Similarly, the argument for the existence of dependent development, defined as "clusters of … enabling factors [that] allowed for development" continues to hold merit (Bruszt and Greskovits, 2009, p. 413). Dependent development explains peripheral regions' abilities to alter their structural relationship with global capital, fundamentally challenging the nature of dependency in these regions.

Dependency theory has been tempered along similar lines for the Canadian experience. House (1981, p. 433) suggests that it is best conceptualized as moderate dependency, owing to the relative economic and social protection afforded to all Canadian citizens regardless of regional location. The scope, extent, and consequences of dependency in Atlantic Canada are not analogous to those in Latin America. The relations of dependency in both regions, however, are markedly similar (Cadigan, 2006). Wherever relations of dependency are found, industrialized cores dominate patterns of resource extraction and impact the class structure and economic well-being of peripheral regions. In turn, peripheral regions become integrated with core regions, primarily, to provide raw materials and a marginalized and dependent labour supply to the core (Gereffi and Fonda, 1992, p. 423). The practical assertion to be drawn from these developments is that some peripheral states have the capacity to force a qualitative shift in their relationship with core capitalist economies – a transformation of their form of integration to the world market (Cardoso, 2009). The theories of orthodox and dependent development, as well as the conception of moderate dependency, have all documented local actors' capacity to challenge the outcomes of dependency. The key difference between these responses and the response this research has uncovered has to do with the results of challenge offered by local actors.

The modifications to dependency theory discussed above collectively suggest that larger businesses have a greater capacity to withstand the uncertainty of resource dependency than do smaller enterprises. Smaller enterprises generally cannot develop the capacity to remain resilient in the face of the economic pressures of dependency. The financial risks of potential failure are unsupportable for many small enterprises.

Additionally, many locally-owned businesses in dependent regions may see specialization as a short term corrective to conditions of dependency. As is discussed in Chapter Six, these factors figure prominently into the relative resilience and dependency of locally-owned trucking companies on the Great Northern and Acadian Peninsulas.

Resilience within dependency, however, suggests that specialization may leave small enterprises more vulnerable to resource collapse and by definition less resilient to other outside pressures such as changing market demands. Well integrated generalists, whose business practices are in tune with the demands of their communities, by contrast, offer a greater buffer against the economic pressures of dependency. Generalists "exhibit a more 'resilient' nature since they can interchange between resources types as the need arises" (Marshall et. al. 2007, p. 367). Neither dependency theory and its modifications nor resilience as it has thus far been presented fully capture the spirit of resilient enterprises within dependent regions uncovered in this research. Resilience within dependency does not fully counteract the relations or conditions of dependency regionally. Rather, within this model, resilient institutions work around dependency and become resilient by creatively embracing the social, economic, and geographic matrix of weakness, opportunity, and capacity for positive change, inherent in some dependent communities. This is achieved by mobilizing local assets, incorporating local weaknesses, reflecting local culture, and sustaining the local economy by leveraging individual and community capacity in direct confrontation with material relations of dependency.

The theoretical model that accounts for the rise of resilient enterprises within dependent communities accounts for the ability of some enterprises in dependent communities to engage local capacity in ways that undermine community vulnerability

and mobilize creative responses to community needs. This explains clearly the community impacts of locally-owned trucking companies' on the Great Northern Peninsula capacity to achieve resilience. Conversely, the lack of structural capacity for locally-owned trucking companies on the Acadian Peninsula to become resilient enterprises reflects these companies' inability to achieve similar mobilization. In general, this process is reflected in the ability to negate partially the social and economic impact of dependency within peripheral regions. It is not a qualitative shift in the structural relations of dependency, but rather a confrontation of the extent of dependency in creative, productive ways, with often positive social impacts at various levels of the social and economic system in question.

Ommer (2007, p. 440) contends that relations of dependency influence the patterns of economic development in Canada's coastal communities. Yet, for Ommer (2007) all hope is not lost. In response to conditions of dependency, "missed opportunities may be captured again – they come and go, although never in the same combination (p. 441)." The relationship between the lost opportunities of dependency and the regained capacity for resilience are seen in the responses of locally-owned trucking companies on the Great Northern and Acadian Peninsulas as described in Chapter Six. On the Great Northern Peninsula, operations of the locally-owned trucking companies exhibited the capacity to adapt in beneficial ways to dependency that are indicative of social resilience. On the Acadian Peninsula, for a number of reasons examined in more detail in Chapter Six, locally owned trucking companies have largely been unable to respond and adapt in similar patterns to their counterparts on the Great Northern Peninsula. As Varghese et al. (2006) note: "local ownership, through local control (via local decision-making), fosters

community capacity, community well-being, and ultimately community resilience (p. 509). In other words, to paraphrase Ommer (2007) enterprises that fail to achieve resilience do so partially because they do not control their own destiny.

The empirical data discussed in the following chapters demonstrate the ways in which the capacity for "specified" resilience (Miller et al., 2010) within the locally-owned trucking industry on the Great Northern and Acadian Peninsulas are mobilized and undermined reflecting the different balance of dependency and resilience in each peninsula. The data illustrate resilience "of what, to what" (Carpenter et al., 2001) by revealing the ways in which locally-owned trucking companies become resilient within dependent communities. Chapters Four through Six provide data that reflect the theoretical model of resilient enterprises within dependent regions proposed here. First, the social and economic conditions on the Great Northern and Acadian Peninsulas will be presented as evidence of sustained underdevelopment. Second, a history of transportation policy in the Atlantic region will be offered as evidence of the political will to maintain conditions of dependency and the process as facilitating the development of underdevelopment in the region generally. Finally, in Chapter Six data collected from both case studies will be presented.

CHAPTER FOUR

Regional Political Economies and Demographic Profiles

Chapter Three proposed a theoretical explanation for resilient enterprises within dependent regions that reflects the complex reality or resilient enterprises within marginalized, yet socially, economically, and culturally complex communities. It has adapted both the principles of orthodox dependency as well as theories of social-ecological system and community resilience to accurately reflect Berkes et al.'s (2003) assertion that neither dependency nor resilience exist in isolation in any complex, non-linear system. As the first of three related data chapters, this chapter reviews historical and sociological research into the political economy of the Great Northern and Acadian Peninsulas and presents demographic profiles of each region to provide a critical account of the multiple sources and consequences of dependency in these regions.

This chapter links the economic, social, and cultural influence of domestic commodity production and dependency on the Great Northern and Acadian Peninsulas. It demonstrates that entrenched conditions of dependency have placed limits, albeit not insurmountable ones, on local capacity for resilience. Second, it presents a comparative demographic snapshot of the Great Northern and Acadian Peninsulas as evidence of the continuing impact of dependency on both regions. Measurements of economic and social wellbeing including income, population, and employment trends in both regions are examined, compared, and contextualized within broader provincial averages. Additionally, direct comparisons between the Great Northern and Acadian Peninsulas are made. The data presented in this section demonstrate that by practically any economic measure, both peninsulas lag behind other regions in their respective provinces. The

Great Northern and Acadian Peninsulas continue to be defined by conditions of dependency and the legacy of domestic commodity production. The first section is informed by a review of critical socio-economic research on both peninsulas. The data presented in the second section is taken from Statistics Canada's *Community Profiles.*

4.1 The Political Economy of the Great Northern Peninsula

> The Great Northern Peninsula can boast of a proud history, a maritime history driven almost exclusively by the fishery notwithstanding periodic challenges arising from resource and market challenges from one year to the next. Such fluctuations were part of the rhythm of community life and each passing season to which its people adjusted… In many respects [the collapse of the fishery] has far exceeded the capacity of individuals and communities alike to adjust to the social, cultural and economic realities and circumstances which continue to challenge its people. (Great Northern Peninsula Fisheries Task Force, 2006, p. 4)

One explanation for the continued economic marginalization on the Great Northern Peninsula is that the region's domestic commodity producers have become increasingly dominated by incomplete integration into capitalist economies over which they have little control (Sinclair, 1994). On the one hand, pressures to industrialize the region's resource industries bind it more inequitably to outside capital, yet on the other, the very process of industrialization augments the deterioration of the region's resources and increases the uncertainty with which communities on the Great Northern Peninsula live. Domestic commodity production has, then, sustained tenable living conditions in rural communities along the Peninsula, while allowing capitals – both local and extra-regional – to benefit from the extraction of the region's natural resources. This process is reflected in Sager's (1988) assertion that "relatively slow capitalist development was deeply rooted in the mutually sustaining interaction…between capitalist and pre-capitalist

modes of production" (p. 136). The economic relationships linked to domestic commodity production, however, are gradually eroding in light of a myriad of factors beyond the local control of individual domestic commodity producers.

Domestic commodity production is both a class structure within the broader economic framework of capitalism and a reflection of local social and cultural subsistence activities. Domestic commodity production on the Great Northern Peninsula transformed the family unit into the centre of economic production, resulting in social relations within families that, in the absence of economic alternatives, were shaped by the demands of capital, yet not directly subsumed by it. On the Great Northern Peninsula, economic dependency and domestic commodity production have entrenched patterns of domestic commodity production by limiting access to economic diversification and locally-owned industrialization beyond the extraction of natural resources. The structural uncertainties and local responses to it on the Great Northern Peninsula are reflected in the *Final Report* of the Great Northern Peninsula Fisheries Task Force in 2006:

> The Task Force… fully recognizes that ongoing developments in the fishery and economy of the Great Northern Peninsula will be largely shaped by external market and political forces that continue to shape and impact every region of our province. Nevertheless, the people of the region, through community and regional advocacy, must strive to influence those policies and programs of both the federal and provincial governments which either directly or indirectly impact the fishery and economy of the Great Northern Peninsula, once commonly referred to as the "Forgotten Coast". (p. 4)

The result of the uncertainty discussed in the quote above has been the appearance of rural communities whose well-being is defined by reliance on increasingly unpredictable fisheries and forest production, unpaid work by family members to support

production in the formal economy, and a culture of self-help and determination to make the best of marginality. Even as the fishery itself becomes less central to many individuals' economic well-being on the Great Northern Peninsula, the cultural legacy of the fishery, including the community relations and employment patterns it necessitated, figure prominently in the locally-owned trucking industry. It is now useful to examine the class structure of domestic commodity production in more detail.

Domestic commodity production in Newfoundland and Labrador has profoundly impacted its cultural development. It has maintained in place communities that find themselves bridging the worlds of wage labour and family production on the margins of capitalist society:

> The fisherfolk of Newfoundland, neither peasants nor tribes people, reveal key aspects of how such social forms are integrated into, shaped by, and participate in shaping larger social and economic processes… The relevance of Newfoundland, in simple terms, is that it is a very special and unusual manifestation of a much broader set of social situations and historical processes. (Sider, 1986: 27)

These conditions have created not only unique cultural responses to capital, but have entrenched a formal class structure that reflects the region's relationships with both local and extra-regional capital. One prominent consequence of this contradictory position is seen in the ways in which domestic commodity producers are forced into unequal exchange relations with capital. This is sometimes exacerbated in dependent communities where both local and foreign capitals exploit domestic commodity producers (Sinclair, 1994). A widespread pattern of unequal exchange exists between domestic commodity producers and capital that provides financing, as well as access to the equipment and other supplies needed to sustain the fishery and often the fishers

themselves and their families (Omohundro, 1985). Domestic commodity producers responded to these relationships with heightened self-reliance and other cost-cutting options in an attempt to limit their formal economic dependency on various capital entities. The exploitative relationship between capital and domestic commodity producers on the Great Northern Peninsula has been examined extensively (Sinclair, 1985; Palmer and Sinclair, 1997; Hamilton and Seyfrit., 1994).

The class structure of the Great Northern Peninsula revolves around complex relationships between those who are firmly integrated into the capitalist class structure and those who exist outside of the class relations of capitalism. Early capitalist development on the Great Northern Peninsula was shaped by what Omohundro (1985) refers to as "pioneer and peasant arrangements" (p. 293). Historically, economic well-being on the Great Northern Peninsula was secured by reliance on unpaid family labour supplemented by formal economic contributions. Contemporary economic life on the Great Northern Peninsula continues to be shaped by interrupted wage labour, cyclical unemployment (O'Grady, 1999; Omohundro, 1999), and a thriving informal economy based on the exchange of goods and services (Felt and Sinclair, 1992). The result is an antagonism on the Great Northern Peninsula between pre-capitalism and capitalism, between merchant capital and industrial capital, and between wage labour and domestic commodity production (Neis, 1981; Sider, 1986, p. 10).

A varying capacity for resilience has been woven through the antagonisms built into the region's class structure. Evidence of this antagonism is presented by Antler

(1979) in his description of the dominance of the truck system[10] in outport fishing communities on the Great Northern Peninsula. The truck system, a type of mercantilist capitalism, maintained a local capitalist elite on the Great Northern Peninsula while entrenching cultural values of independence and self-reliance whose legacy continues to resonate on the peninsula. In regions dominated by domestic commodity production, the actions of merchant capital and domestic commodity producers have contributed to both the regions' dependency and resilience. Merchant capital had limited interest in promoting locally-controlled industrial development out of fear that an emergent local capitalist class would undermine merchants' profits. Sager (1988) notes:

> Fishermen lacked the means to apply new technologies while merchants lacked the incentive because they could continue to accumulate surplus value by adding more indebted fishermen to their books and by manipulating the prices of imported goods and supplies. (p. 131)

Domestic commodity producers often refrained from challenging the economic structure of the mercantile system. The development of a locally-owned industrial capitalist economy would have made it nearly impossible for many domestic commodity producers to avoid subsumption within an emergent wage labour system. The class structure that maintained economic dependency has contributed to the social conditions that have laid the foundation for pockets of resilience on the Great Northern Peninsula. The political economy of the Great Northern Peninsula reflects the entrenchment of economic and social structures wherein both the legacy of dependency and the resultant

[10] For a detailed discussion of the truck system in Newfoundland and Labrador, see Cadigan (1991).

patterns of resilience are responses to economic relationships over which people on the Great Northern Peninsula have only limited control.

4.2 The Political Economy of the Acadian Peninsula

Small fishing communities have existed along the Acadian Peninsula's coast for centuries. The regional economy of New Brunswick's Acadian Peninsula is dominated by the extraction of natural resources - primarily forestry and peat moss, the fishery, and to a lesser degree mining. Fisheries production is controlled by small locally-owned companies and community marketing boards. In the case of forestry production, however, most pulpwood harvesting and transportation is done by small regional producers contracted to major New Brunswick based forestry companies, and all pulpwood is moved to mills outside of the region for processing. Very little timber processing is done in the region. The lack of an industrialized labour force which could serve as a domestic market for agricultural products (Tohmo et al., 2006, p. 3) and widespread subsistence gardening have limited the growth of agriculture. The peat moss industry is concentrated in the operations of Acadian Peat Moss in Lameque on the Northeastern coast of the Acadian Peninsula.[11] Additionally, there is a zinc smelter in Belledune, on the Acadian Peninsula. Zinc is shipped directly from the Port of Belledune. This has maintained a demand for short haul trucking services and accounts for a significant portion of the business of locally-owned trucking companies. The viability of mining for the Acadian Peninsula, however, has recently been called into question as Brunswick Mines, operated

[11] Retrieved from www.acadianpeat.com

by Swiss-owned Xstrata, which currently employs more than 900 people in the region, will close in 2013.[12]

The forestry sector is a considerable economic contributor to the well-being of many families on the Acadian Peninsula. Initial development in the forestry sector on the peninsula was tied to the harvesting of timber for the shipping industry. As the square timber trade collapsed with the end of wind-powered sailing ships, New Brunswick's forests gradually opened up for pulp and paper development. Parenteau (1992) provides an historical overview of the development of pulp and paper in New Brunswick in the 1920's, most of which was concentrated adjacent to mills in the Miramichi area just south of the Acadian Peninsula. Many of these mills were supplied by lumber harvested on the Acadian Peninsula by small producers, many of whom were economically tied to New Brunswick merchants outside of the Acadian Peninsula, and most notably in and around the Port of Saint John (Johnson, 1983; Sager, 1988). The emergence of a truck system similar to that in place on the Great Northern Peninsula significantly shaped the class structure of the Acadian Peninsula by encouraging domestic commodity production in the lumber sector. Gradual pressure to mechanize production and increase productivity coincided with the development of capitalist lumber companies harvesting on the Acadian Peninsula, and drawing many previously independent producers into capitalist class relations.

MacDonald and Clow (1999) have traced the longevity of domestic commodity production in forestry well after its economic viability was supplanted by mechanical

[12] "Bathurst Mill to close in 2013." Retrieved from http://www.cbc.ca/news/canada/new-brunswick/story/2012/03/28/nb-bathurst-mine-xstrata-closing.html

harvesters. MacDonald and Clow (1999) capture the unwillingness to abandon the labour process associated with domestic commodity production in the region's forestry sector:

> Some older and seemingly more costly systems remain in use decades after the introduction of the lower labour cost systems devised to replace them. More problematically still, some of the most advanced and productive systems designed to replace the oldest systems have passed into history, while trail cutters with chain saws still amble on into the twenty-first century. (p. 31)

Logging on the Acadian Peninsula produces only marginal 'center-like' growth poles (Parr, 1999). Its relatively sporadic and unpredictable presence, reflecting its integration with international markets and declining availability of wood fibre, does not sustain industrial development beyond the immediate communities in which the logging occurs. The integration of capitalist employment when available, and pre-capitalist employment when necessary, reflects the Acadian Peninsula's ongoing dependency. Most work in natural resources on the Acadian Peninsula is cyclical. Many families engage in domestic commodity production in forestry to support family fisheries which seldom provide adequate income to support families. In most communities on the Acadian Peninsula, a culture of occupational pluralism, including unpaid work and EI collection for the rest of the year, is commonplace, accepted, and increasingly necessary in the absence of other employment opportunities. Patterns of informal economic activity on the Acadian Peninsula indicate a culture of self-reliance similar to the Great Northern Peninsula. As Johnson (1999) notes:

> Household based economic strategies, coupled with community cooperation allowed residents [of the Acadian Peninsula] to secure a living in difficult times and in a context where steady employment was scarce. The pooling of household-produced resources has been essential for effectively responding to economic uncertainty. (p. 44)

Historically, many families on the Acadian Peninsula sent members to work in lumber camps along the southern boundary of the peninsula near the city of Miramichi, and some went to work for the mines on the Northwestern boundary of the peninsula around the city of Bathurst. Workers' mobility is becoming a legislated requirement for many workers on the Acadian Peninsula. In 2012, changes to the federal EI program, threatening the culture of seasonal work on the Acadian Peninsula, prompted widespread and sustained protest in the region.[13]

While the political economy of the Acadian Peninsula has not been as widely studied as that of the Great Northern Peninsula, some of the research undertaken on the political economy of the Maritime Provinces can be applied to the Acadian Peninsula specifically. Wylie noted that in the Maritime Provinces in general, underdevelopment can be explained in at least three ways: (i) inevitability in that low productivity and low growth led, ultimately, to industrial collapse, (ii) entrepreneurs' lack of skill or lack of desire to become integrated into Canadian industry, or (iii) failures in transportation policy, especially rail freight rates (Wylie, 1987, p. 77). As Johnson (1983) notes, "the superior capital infrastructure of central Canadian industries" (p. 111) is a continuing impediment to industrial development on the Acadian Peninsula and, as will be discussed in detail in Chapter Six, has significantly impacted the well-being of locally-owned trucking companies on the Acadian Peninsula. Sacouman (1978), in this respect, develops a theoretical model for economic development in the Maritime Provinces. In particular, Sacouman's (1978) argument explains the long term challenges facing domestic

[13] Retrieved from http://www.cbc.ca/news/canada/new-brunswick/story/2013/02/11/nb-ei-protest-tracadie-sheila.html

commodity producers in the Maritime Provinces. The persistence of domestic commodity producers in the region provides for the immediate necessities of rural families. Domestic commodity producers' economic ties to outside capital, however, further entrench the region's economic dependency within the cycle of capitalist production in the long run:

> the maintenance… of the increasingly truncated domestic mode of production as the central locus for heightened exploitation of the domestic commodity producer unit itself and for the continued 'cheap' reproduction of a relative surplus population to be exploited when required by the capitalist mode of production in general. (Sacouman, 1978, p. 1)

Now that the class structure and legacy of domestic commodity production on both the Great Northern and Acadian Peninsulas have been presented, it is important to provide specific demographic insight into the contemporary political economy of both regions. For this, comparative analysis of Statistics Canada's Community Profiles will be presented below.

4.3 Demographic Profiles

This research examines the ways in which locally-owned trucking companies on the Great Northern and Acadian Peninsulas mobilize, or fail to mobilize, local capacity for resilience. As discussed in Chapter Three, it is inaccurate to discuss resilience within marginalized communities as a monolithic structure. Rather, resilience and marginalization are argued to co-exist in regions generally defined as dependent in the sociological literature. By providing a demographic profile of both the Great Northern and the Acadian Peninsulas, this section will provide clear insight into how resilience and marginalization can simultaneously influence both regions. While much of the qualitative

data supporting the resilience within dependency of locally-owned trucking companies on the Great Northern Peninsula is presented in Chapter Six, it is instructive to provide some empirical evidence of the continued dependency of both peninsulas while articulating the possibility for community resilience within them.

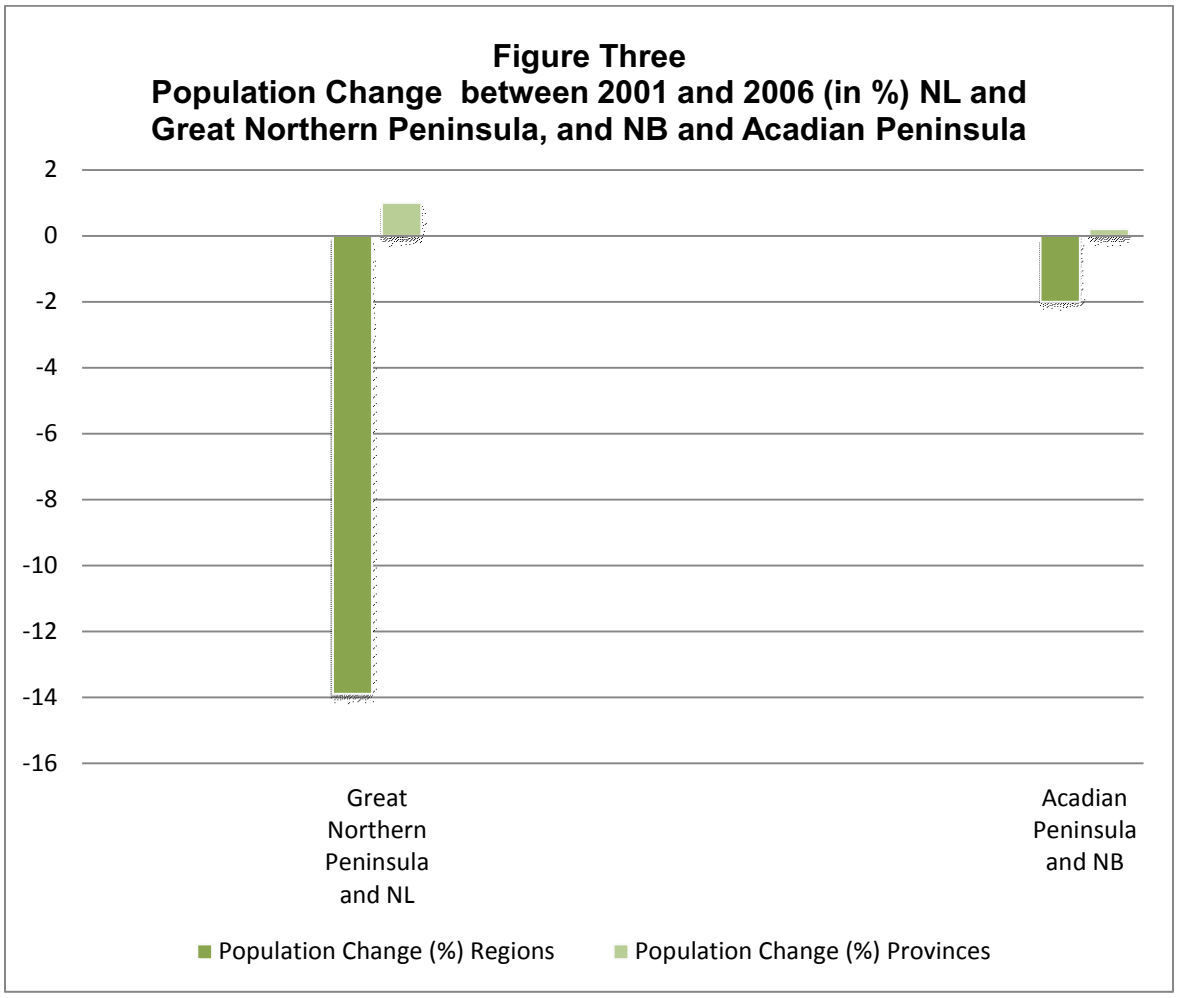
The presentation of the data in this section required a slight accommodation. In the absence of comprehensive, comparable data sets for the Great Northern and Acadian Peninsulas, this section relies on Statistics Canada Census Division data that closely approximate the geographic boundaries of both peninsulas. It is also important to note that as there is a delay between the collection of demographic data and its release to the public, most of the data presented in this section is gathered from 2006 Census data. At the time of writing, 2011 data were not available. The statistical data for the Great Northern Peninsula are taken from *Census Division 9 – Newfoundland and Labrador*. In New Brunswick, census divisions are determined by county boundaries. The *Acadian Peninsula* refers to the Northeast region of New Brunswick in general. This region is delineated culturally by a unique set of economic relations and linguistic boundaries that set the region apart from the rest of New Brunswick. The statistical data generated for this research is taken from Gloucester County which captures as closely as possible both the geographic and the cultural spaces of the Acadian Peninsula.

4.3.1 Population Trends

Sustained population growth is a significant indicator of general economic well-being and social resilience.[14] The populations of both the Great Northern and the Acadian Peninsulas are declining. In 2011, Census Division 9 in Newfoundland and Labrador had

[14]Retrieved from http://www.aims.ca/site/media/aims/aims_dem.pdf

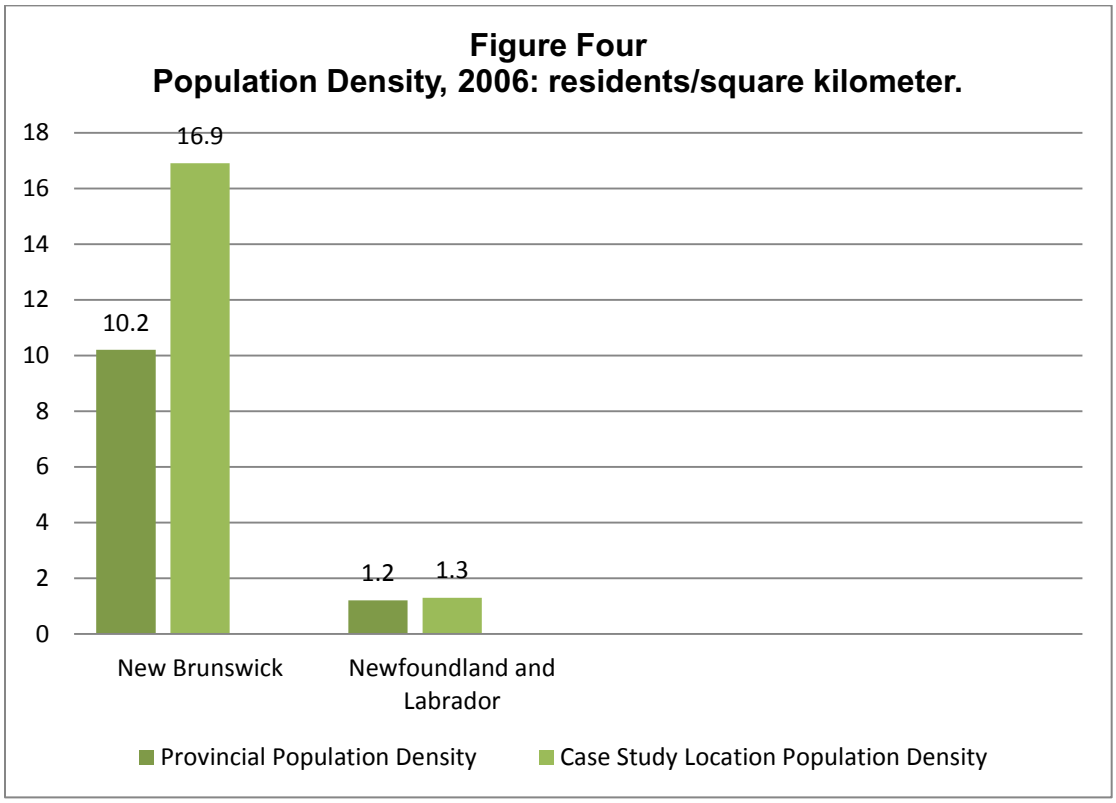
a population of 16,786, a loss of 1,298 people from the population of 18,084 in 2006. This decline of 13.9 per cent in Census Division 9 is the greatest of any of Newfoundland and Labrador's Census Divisions in the period between 2006 and 2011. By contrast, the population of Newfoundland and Labrador as a whole grew by 4,236 people in the same period, a modest increase of almost 1 per cent. In New Brunswick, Gloucester County had a population in 2011 of 77,792, a loss of 1,158 people from the population of 78,950 in 2006. This is a decrease of almost 2 per cent on the Acadian Peninsula, while during the same time New Brunswick's overall population increased by 2,174 people, which is a marginal growth of 0.2 per cent, similar to Newfoundland and Labrador. These data are presented in Figure Three.



When the Great Northern and Acadian Peninsulas are directly compared, interesting observations are made. First, the two regions have dramatically different populations. The Acadian Peninsula, with a population of 77,792 in 2011, has over five times the population of the Great Northern Peninsula. It is reasonable to assume that the substantially higher population of the Acadian Peninsula is directly responsible for its noticeably higher concentration of industrial and commercial activity. Both regions are facing population decline indicating that people are leaving the regions in search of opportunities elsewhere. For the Acadian Peninsula, the impact of the population decline

between 2006 and 2011 is lessened by its considerably larger base population and, by extension, the proportionately smaller population decline than experienced on the Great Northern Peninsula.

Another interesting way to examine regional population, and in particular a potential connection between trucking services and population in a region, is to examine population density. Measured by the number of inhabitants per square kilometer, population density reflects the general feel of rurality in a given region. Density is likely to increase in regions with urban community development which, in turn, is likely to increase the variety of options for the consumption of goods and services. Densely populated areas are desirable trucking markets in that they have higher freight volume and the freight can be delivered more efficiently. Compare, for example, the high costs associated with making several small deliveries to a series of small supermarkets over a large geographic area with the lower costs of bulk deliveries to large grocery stores. The population density in Gloucester County is 16.9 people per square kilometre. This, interestingly, surpasses the provincial average population density in New Brunswick of 10.2 people per square kilometre. It also far surpasses the population density of 1.3 people per square kilometer on the Great Northern Peninsula. The population density of the Great Northern Peninsula is in keeping with the provincial average for Newfoundland and Labrador of 1.2 people per square kilometer. If higher population density is used as a general indicator of a region's relative attractiveness to the trucking sector, then by both regional and provincial measures, New Brunswick would be far more appealing than Newfoundland and Labrador. This finding seems to be supported in the case study data presented in Chapter Six. Population density data are presented in Figure Four below.

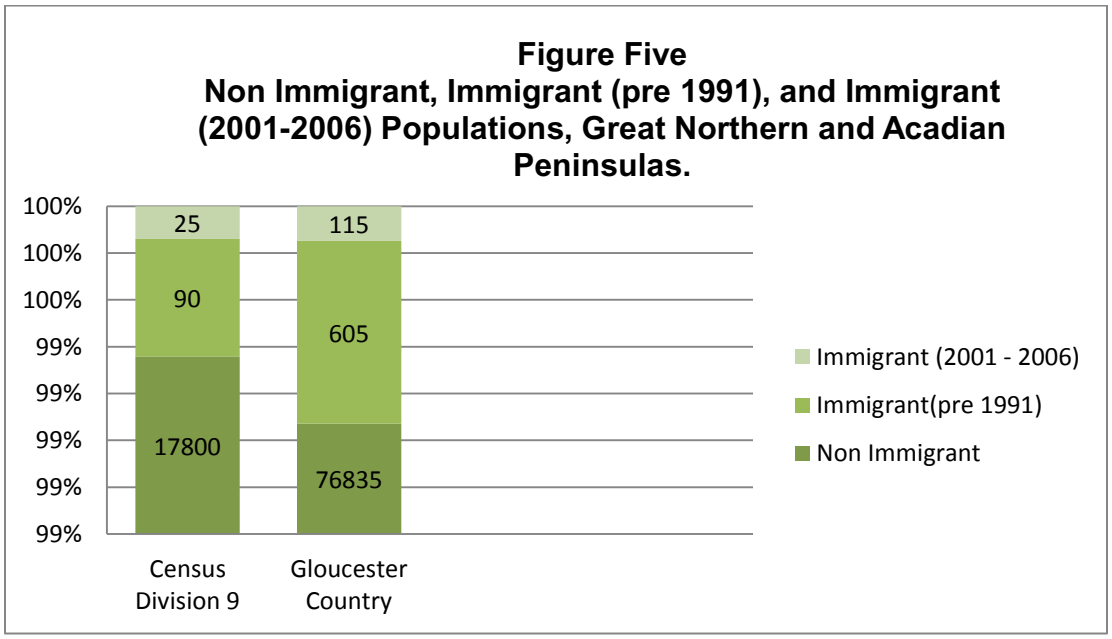


4.3.2 Immigration and Residency

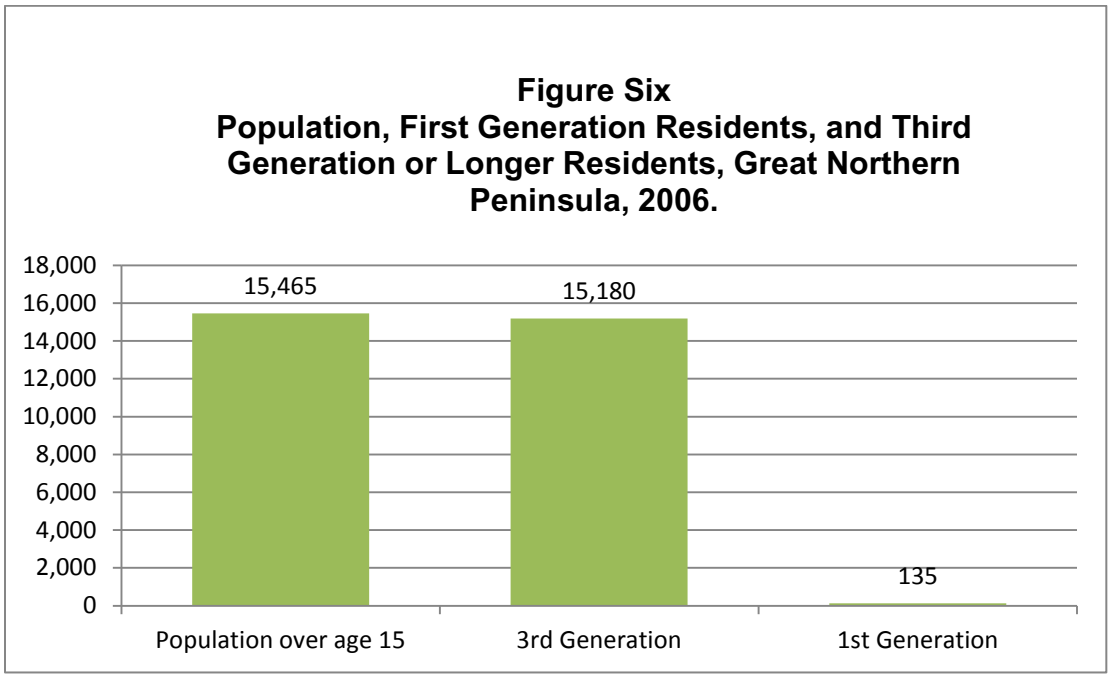
Another indicator of the economic well-being of both the Great Northern and Acadian Peninsulas is level of immigration to the regions. Here, the connection is quite obvious: regions with greater economic opportunities will attract more immigrants. By contrast, those with little economic opportunity are overlooked. The numbers of immigrants on both the Great Northern and Acadian Peninsulas are staggeringly low. In 2006, there were 115 immigrants on the Great Northern Peninsula, representing 0.7 per cent of the population. Of the total immigrant population regionally, 90 immigrants or 64 per cent moved to the region prior to 1991 while only 25 or 17 per cent moved to the region

between 2001 and 2006. Not only are immigrants dramatically underrepresented on the Great Northern Peninsula, but their growth in the region is slowing considerably.

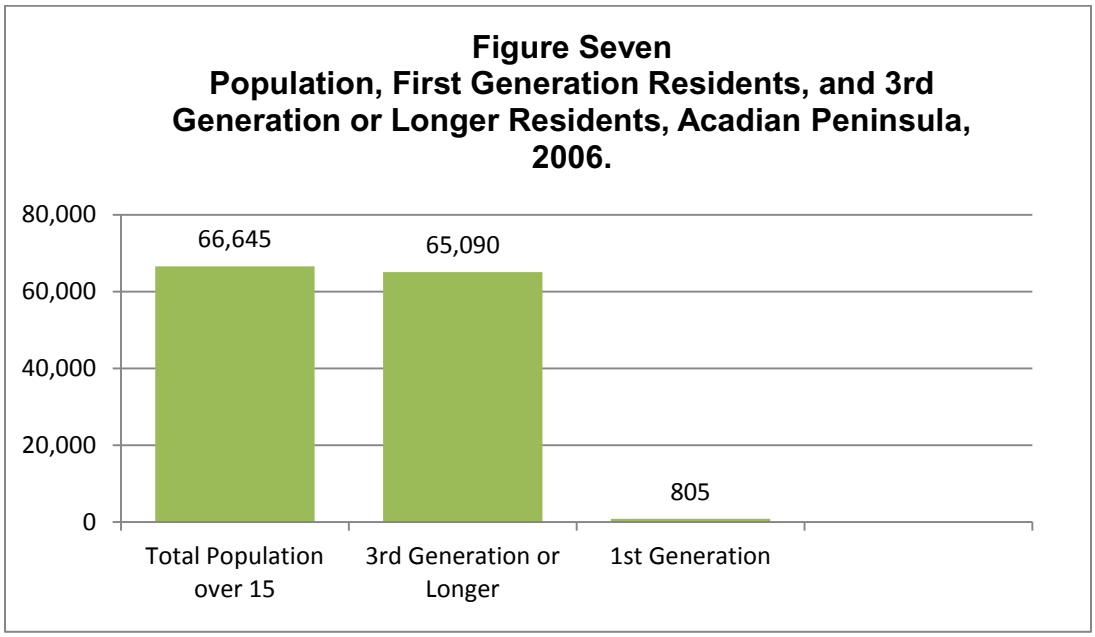
A similar trend emerges when the data for the Acadian Peninsula are analyzed. On the Acadian Peninsula, there were 840 immigrants in 2006, representing 1 per cent of the region's population, and 605 of those immigrants or 72 per cent moved to the region prior to 1991. Only 348, or 13 per cent arrived between the years of 2001 and 2006. As a percentage of total regional population, the Acadian Peninsula attracts even fewer immigrants than the Great Northern Peninsula. One possible explanation for this has to do with the linguistic characteristics of the region. In 2006, 65,210 people, or 84 per cent of the population on the Acadian Peninsula recorded French as their mother tongue. Arguably, this represents an additional barrier to immigration and one not faced by the Great Northern Peninsula. This information is presented as a percentage of the regions' total population in Figure Five below:



Another way of examining the general character of a region's population is to examine the generational status of the region. These data can be used as a marker of opportunity in a particular census division. It can reasonably be assumed that individuals with long family histories in a region may be relatively well equipped to deal with economic downturn and uncertainty given a host of informal economic and social ties. Potential migrants, however, are unlikely to be able to tap sufficiently into informal support networks. This combined with a demonstrable lack of employment opportunities on the Great Northern and Acadian Peninsulas has substantially reduced the numbers of new migrants to the regions. On the Great Northern Peninsula in 2006, the total population aged 15 years and older was 15,465. Of this number, 15,180, or 98 per cent identified themselves as third generation or longer residents. In contrast, on the Great Northern Peninsula, only 135 people, or 1.1 per cent of the population self-identified as first generation residents. These data are presented in Figure Six.



On the Acadian Peninsula, the total population 15 years and older in 2006 was 66,645 and 65,090, or 98 per cent of people identified as third generation or longer residents. For first generation residents on the Acadian Peninsula, the number is only marginally higher than the Great Northern Peninsula at 1.2 per cent. These data are presented in Figure Seven:

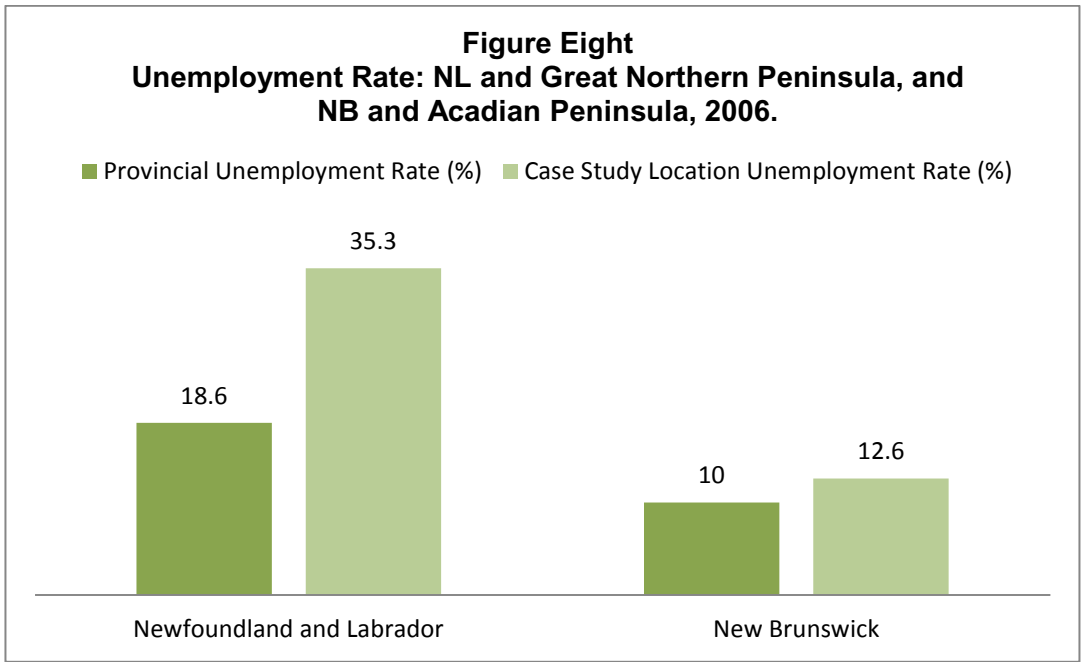


4.3.3 Working Conditions

Population trend analysis provides a statistical snapshot of the number of people moving to and leaving a region. Examining employment trends and working conditions in the research locations, however, provides a different perspective on the communities' well-being. It is important to compare patterns of working conditions and the type of work engaged in on the Great Northern and Acadian Peninsulas in order to assess the continued importance of natural resource work for the regions. This section will also examine the importance of unpaid or non-standard work in the research locations, as research clearly indicates that individuals willing and able to engage in occupational pluralism tend to be more resilient (Cinner and Bodin, 2010, p. 11). The type of work people do, the work they are paid for, and the work that is unpaid are indicative of the enduring legacy of domestic commodity production and its concomitant self-help culture on both the Great Northern and Acadian Peninsulas.

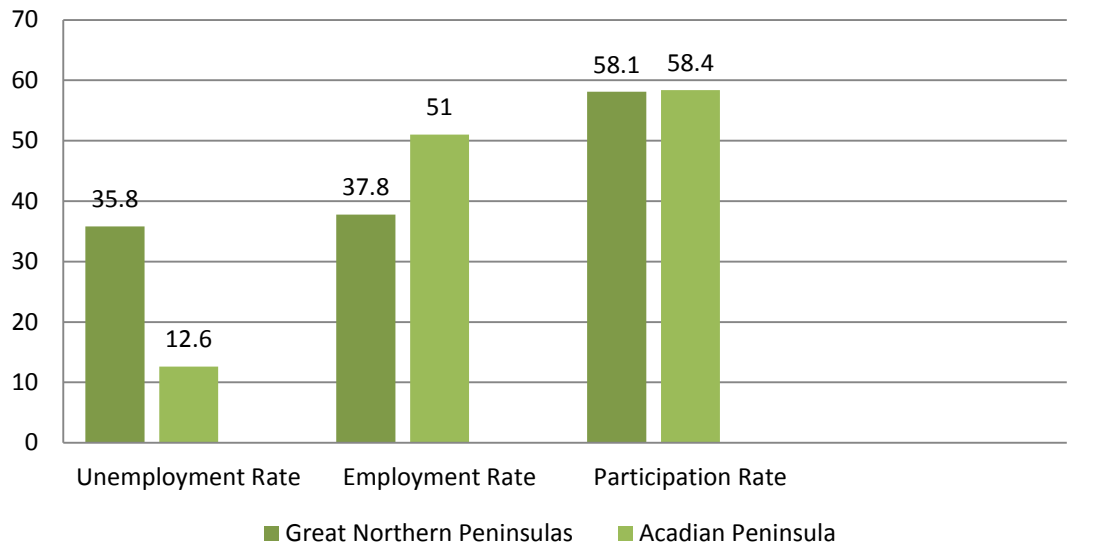
The unemployment rate in Census Division 9 in 2006 was 35.3 per cent, nearly double the provincial rate in Newfoundland and Labrador of 18.6 per cent. Both these rates are substantially higher than the national average of around 7 per cent.[15] It is reasonable to assume that with an unemployment rate over five times higher than the national average, a substantial amount of unpaid work is crucial for the well-being of communities on the Great Northern Peninsula. This would indicate the continuing relevance of a culture of self-reliance, reflective of domestic commodity production, in the region. On the Acadian Peninsula, the employment situation is better; yet employment in the region is still uncertain. The unemployment rate in Gloucester County is 12.6 per cent, 25 per cent higher than the provincial rate in New Brunswick of 10 per cent. While unemployment is a critical factor shaping community well-being in both regions, the chances of finding employment on the Acadian Peninsula are only slightly worse than in New Brunswick as a whole. On the Great Northern Peninsula, the situation is substantially poorer. The unemployment rate on the Great Northern Peninsula is nearly three times that on the Acadian Peninsula. Lower unemployment rates on the Acadian Peninsula seem to reflect the more diversified industrial development of the region discussed in the first section of this chapter. The unemployment rates for both regions are presented in Figure Eight.

[15] Retrieved from http://www.statcan.gc.ca/daily-quotidien/130208/dq130208a-eng.htm



Closer scrutiny of employment trends in both regions uncovers widespread discrepancies between the Great Northern and Acadian Peninsulas. While there is considerable difference between the regions' unemployment rates, more striking is the rate of *employment* in both regions. The employment rate on the Great Northern Peninsula was 37.3 per cent in 2006, in contrast to the general employment rate for the province of Newfoundland and Labrador as a whole, which stood at 47.9 per cent. On the Acadian Peninsula, the employment rate for 2006 was 51 per cent, considerably higher than on the Great Northern Peninsula and only slightly lower than the provincial employment rate in New Brunswick of 57.3 per cent. These data are presented in Figure Nine below.

Figure Nine
Unemployment, Employment, and Participation Rates: Great Northern and Acadian Peninsulas, 2006.



The labour force participation rate is calculated by combining the percentage of the population that is currently employed with the percentage of the population actively seeking work. In 2006, the labour force participation rate on the Great Northern Peninsula was 58.1 per cent and 58.9 per cent for the province of Newfoundland and Labrador as a whole. The most interesting finding in this comparison is the gap between the employment rate and the participation rate. A substantially higher percentage of the working age population on the Great Northern Peninsula was looking for work; yet in terms of provincial employment trends, the Great Northern Peninsula was not substantially worse off than the rest of the province. This indicates that although the likelihood of employment on the Great Northern Peninsula was low, the rate for those

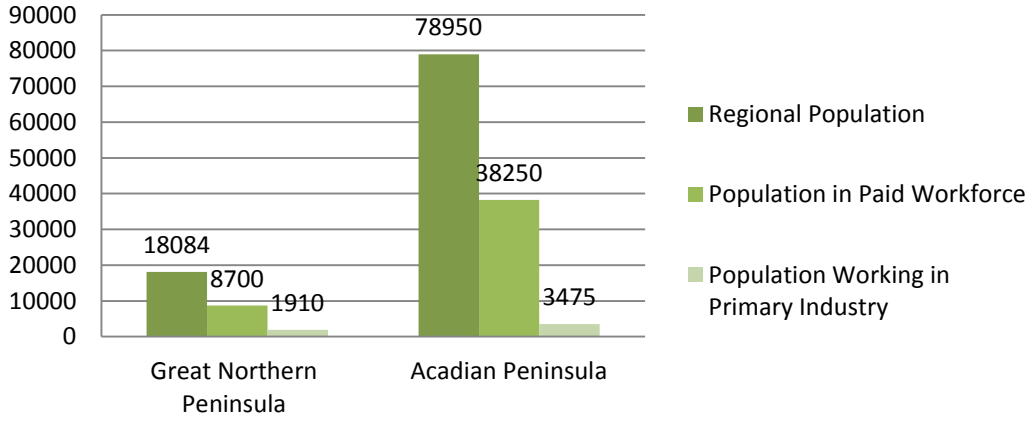
looking for employment was quite high. In total, 20.1 per cent of the region's population was actively seeking employment.

The labour force participation rate on the Acadian Peninsula in 2006 was 58.4 per cent, remarkably lower than the provincial rate for New Brunswick, which was 67.3 per cent. In New Brunswick, this is a gap of almost 10 per cent, as opposed to the gap in Newfoundland and Labrador of less than one percentage point. This indicates that the likelihood of finding employment on the Acadian Peninsula was considerably lower than that in the province of New Brunswick as a whole, with only 7.4 per cent of the population seeking employment. In general terms this indicates that the employment situation of the Great Northern Peninsula was not dramatically worse than the provincial average, whereas conditions on the Acadian Peninsula were substantially worse than New Brunswick as a whole.

In both Newfoundland and Labrador and New Brunswick, employment in resources industries is relatively low. In 2006, in a total workforce of 241,880 in Newfoundland and Labrador, 24,500 people, or 9.8 per cent of the population were directly involved in agriculture and other resource industries. In New Brunswick, with a paid workforce of 376,985 people, 26,150 or 14.4 per cent of the working population were similarly employed. When the Great Northern and Acadian Peninsulas are specifically examined, it is clear that primary industry is significantly more important to the economy of the Great Northern Peninsula than to either the rest of the province of Newfoundland and Labrador or the Acadian Peninsula. In Census Division 9, of 8,700 people in the labour force in 2006, 1,910, or 22 per cent were directly employed in work related to primary industry. This is more than double the provincial average. In

Gloucester County, of 38,250 people reporting occupational data in 2006, 3,475, or 9 per cent were directly employed in work related to primary industry. Of striking importance here is that the rate of employment in natural resources on the Acadian Peninsula was lower than both the rate on the Great Northern Peninsula, which might be expected, and also lower than the provincial average for New Brunswick, in direct contrast to expectations. There is greater opportunity for employment outside of traditional resource extraction on the Acadian Peninsula, which simply does not exist on the Great Northern Peninsula. These data are presented in Figure Ten.

Figure Ten
Population, Paid Workforce, and Work in Primary Industry; Great Northern and Acadian Peninsuas, 2006.



With nearly one quarter of all employed people on the Great Northern Peninsula reliant on natural resource extraction for their economic well-being, any downturns in the extractive sectors will be more severely felt in the region's unemployment numbers, and may lead to hastening population decline in the absence of sustainable employment

elsewhere in the region. This may also play a role in understanding the substantially lower population of the Great Northern Peninsula, as reliance on employment in extracting finite resources logically limits population growth both directly, as there are limited jobs in natural resources, and indirectly, as fewer related jobs and families are sustained in resource extracting communities.

It has been demonstrated that formal employment is difficult to find on the Great Northern and Acadian Peninsulas. One contributor to this is undoubtedly the prevalence of work in natural resources. Historically, one remedy for lack of paid work within domestic commodity producing regions has been the prevalence of unpaid work as a central component of many families' well-being. Given the historical prominence of domestic commodity production on both the Great Northern and Acadian Peninsulas, it is instructive to explore in some detail the ways people respond to the lack of opportunity for paid work. A mix of paid and unpaid work often becomes a family affair and family members may supplement household incomes from domestic commodity production with sporadic wage labour where available. Self-reliance crystallizes into patterns of work unique to regions with few other opportunities. Felt and Sinclair (1992) argue that patterns of self-reliance in the absence of paid work are culturally valued on the Great Northern Peninsula in the population generally:

> Lack of alternatives and a culture of self-help should make informal economic activity attractive across social boundaries… the degree of participation in the informal sector is independent of socio-economic status (p. 46).

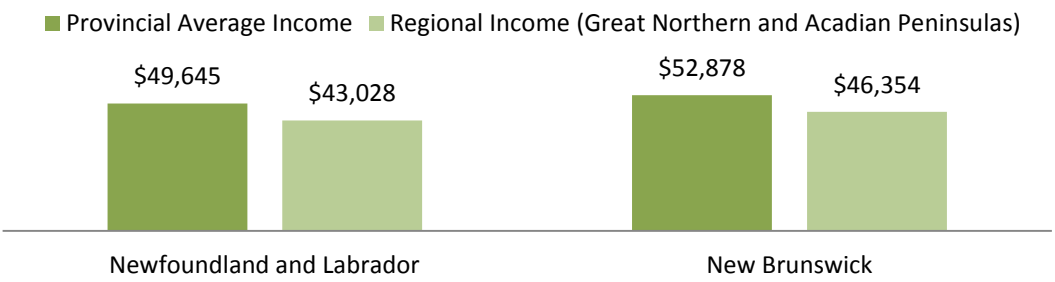
In both Newfoundland and Labrador and New Brunswick, unpaid work is reported by a substantial proportion of the population. Of the population of 505,469 in

Newfoundland and Labrador in 2006, 375,325 people reported unpaid work. This is 74 per cent of the region's population. In New Brunswick, of a population of 729,997 in 2006, 545,390 people report unpaid work. This, too, represents a total of 74 per cent of the population. Similarly, on both the Great Northern and Acadian Peninsulas, the number of people reporting unpaid work is 74 per cent and 73 per cent respectively. While workers on both the Great Northern and Acadian Peninsulas report a substantial level of unpaid work, the rate of unpaid work in both regions is similar to respective provincial averages. It is interesting to note that nearly three quarters of all workers in both regions indicate doing unpaid work. This reflects the importance of community relationships and a culture favourable to self-reliance in both regions.

4.3.4 Income and Education

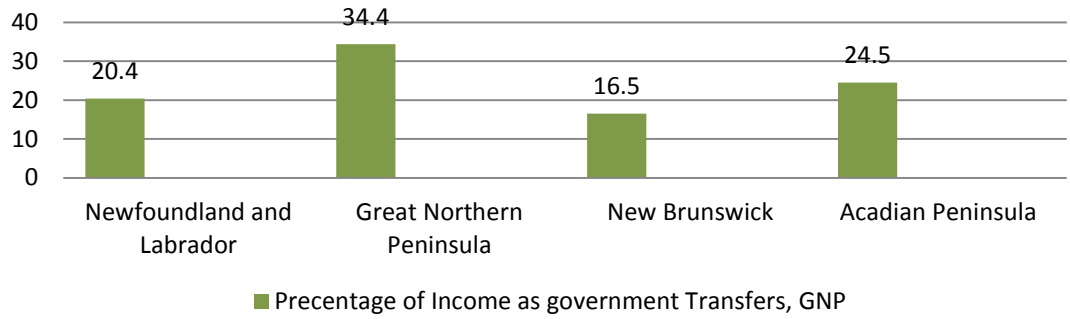
Income is indicative of the quality and duration of employment. Full time work generally pays more than part time employment. Given the data that have been presented on employment trends on the Great Northern and Acadian Peninsulas, it is important to examine income as an indicator of the regions' dependency and, consequently, of the likelihood of the maintenance of locally-owned trucking companies in both regions. Census Division 9 has a lower median income than the provincial average in Newfoundland and Labrador. In 2006, the median income for all families in Census Division 9 was $43,028, 87 per cent of the provincial average of $49,645. Similarly, Gloucester County had a lower median income than the New Brunswick average as well. In 2006 median income for all families in Gloucester County was $46,354, which is 88 per cent of the provincial average of $52,878. These data are presented in Figure Eleven.

Figure Eleven
Income: NL and Great Northern Peninsula, and NB and Acadian Peninsula, 2006.



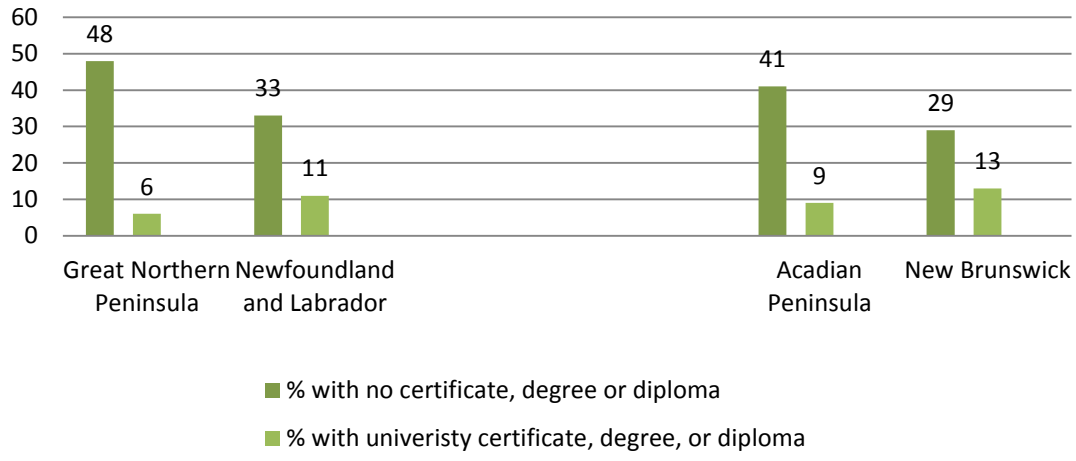
Another interesting marker of economic well-being on both the Great Northern and Acadian Peninsulas is the percentage of income derived from government transfers. On the Great Northern Peninsula, in 2005, government transfers represented 34.4 per cent of total income. For the province of Newfoundland and Labrador as a whole, the number for the same period was substantially lower, standing at 20.4 per cent. On the Acadian Peninsula, 24.5 per cent of total income came from government transfers, as opposed to 16.5 per cent for the province of New Brunswick generally. If we compare the gap between case study locations' dependence on government transfers and provincial numbers, we see that the Great Northern Peninsula is substantially more likely than the Acadian Peninsula to rely on transfers, indicating less opportunity for employment in the region as a whole. It also indicates that while conditions on the Acadian Peninsula are measurably worse than in New Brunswick in general, the relative position of the Great Northern Peninsula is observably poorer. These data are presented in Figure Twelve below.

Figure Twelve
Percentage of Income from Government Transfers; NL and the Great Northern Peninsula, and NB and the Acadian Peninsula, 2006.



In Census Division 9, 7,460 people over the age of 15 had no certificate, diploma, or degree in 2006. This number represents 48 per cent of the population. In Newfoundland and Labrador as a whole, 141,575 people, or 33 per cent of the population, reported no certificate, diploma or degree. In Gloucester County, of the total population aged 15 and above, 27,065 individuals, or 41 per cent of the population, are listed as having no certificate, degree, or diploma. By contrast, provincially in New Brunswick, the number is 176,660, or 29 per cent. At the other end of the spectrum, in Census Division 9 in 2006, only 415 people reported having graduated from university. This is 6 per cent of the population. In Newfoundland and Labrador as a whole, the percentage having a university education degree was 11 per cent. Nine per cent, or 6,050 people, in Gloucester County reported having a university degree, whereas 78,110 people, or 13 per cent, of the entire New Brunswick population reported similar educational attainment in 2006. These data are summarized in Figure Thirteen.

Figure Thirteen
Educational Attainment: NL and Great Northern Peninsula, and NB and Acadian Peninsula, 2006.



Only a small minority of the populations of both the Great Northern and Acadian Peninsulas have obtained university degrees. Similarly, residents of both regions are substantially less likely to have completed high school than their provincial counterparts. When the rates of educational attainment in the regions are directly compared slightly fewer residents of the Acadian Peninsula have less than a high school diploma and slightly more have attained a university degree than their counterparts on the Great Northern Peninsula.

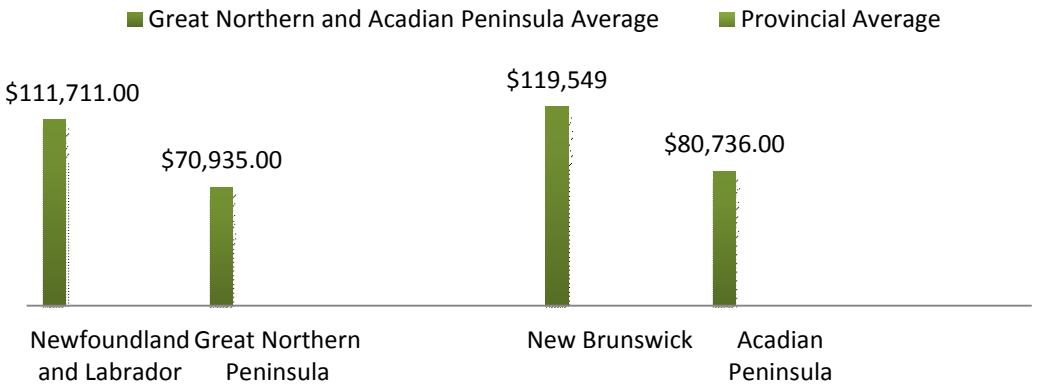
Undoubtedly, the perceived need for post-secondary education is a significant contributor to these numbers. When the opportunity for sustainable employment without post-secondary training presents itself, it seems logical to assume that individuals may, in light of cultural pressure and social expectations, be drawn to it. However, another factor contributing to the inter-regional differences is access to post-secondary training. On the

Acadian Peninsula, there are several more easily accessible post-secondary training options, including campuses of the New Brunswick Community College and the Université de Moncton. These opportunities do not present themselves as readily on the Great Northern Peninsula, although there is a branch of the College of the North Atlantic in St. Anthony. In general terms, educational attainment can be used to predict the relative degree of diversity in employment opportunities in a given region: the lower the opportunity for work requiring post-secondary training, combined with the desire to stay close to family and social support networks, renders post-secondary education outside of the region an unattractive opportunity for many.

4.3.5 Housing

Examining the housing situation on both the Great Northern and Acadian Peninsulas is useful when assessing rural communities' resilience. Accordingly, this section presents (a) the value of homes on both the Great Northern and Acadian Peninsulas and (b) the total number of houses in need of repair in both regions. The average value of homes in Census Division 9 in 2006 was $70,935, whereas for the province of Newfoundland and Labrador generally, it was $111,711. The average value of an owned home in Gloucester County in 2006 was $80,736 compared to a provincial average of $119,549. Comparatively speaking, houses on the Great Northern Peninsula are worth, on average, 63 per cent of the provincial average, whereas houses on the Acadian Peninsula are worth approximately 68 per cent of the New Brunswick provincial average. These data are presented in Figure Fourteen.

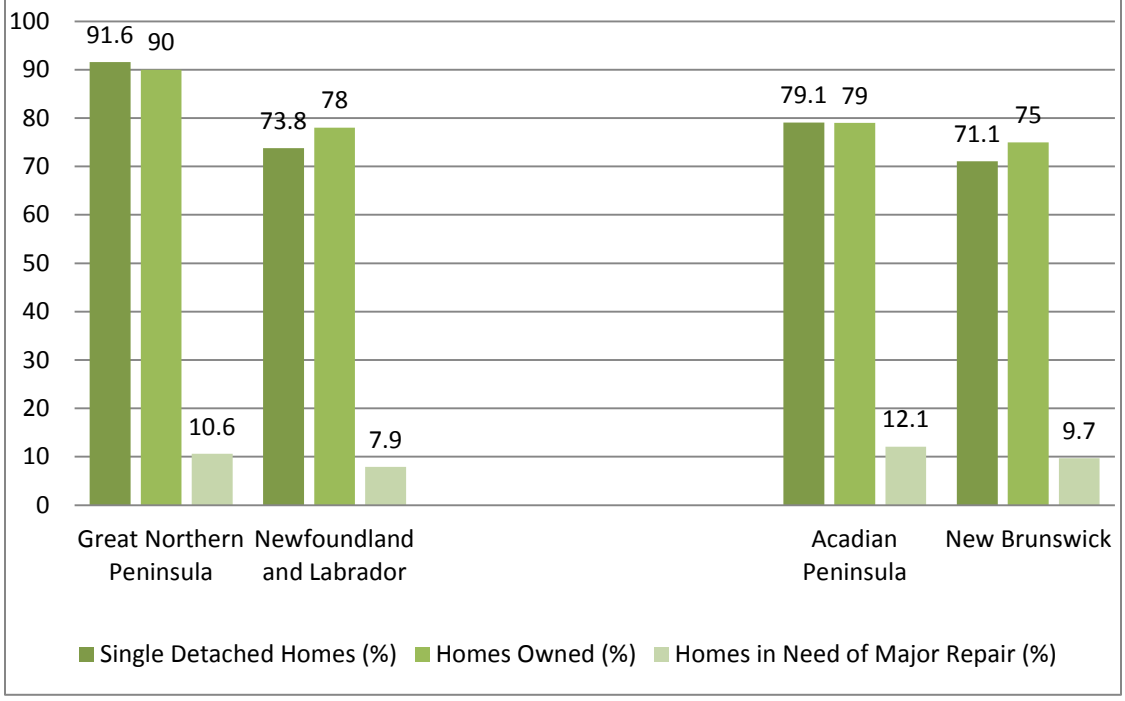
Figure Fourteen
Home Value: NL and Great Northern Peninsula, and NB and Acadian Peninsula, 2006.



These data indicate a lower cost of living in both regions than in the rest of their respective provinces. They also likely reflect economic conditions. Typically, older homes have lower value than new construction. Similarly, in regions with little economic development, real estate costs are lower than average. While in general terms, comparably low real estate prices may indicate regional marginalization, for people living in these regions they may present an opportunity to own homes and become more self-sufficient than would otherwise present itself.

Indicative, perhaps, of lower regional incomes and greater transfer of money from government sources, home conditions on the Great Northern and Acadian Peninsulas are relatively poorer than their provincial counterparts. The total percentage of houses in need of major repair in Census Division 9 in 2006 was 10.6 per cent, as opposed to 7.9 per cent province wide. Similarly, the percentage of homes in need of major repair in Gloucester County in 2006 was 12.1 per cent, whereas the provincial average was 9.7 per cent. These data are presented in Figure Fifteen.

Figure Fifteen
Home Type and Condition: NL and Great Northern Peninsula, and NB and Acadian Peninsula, 2006.



There is a preference on the Great Northern Peninsula for home ownership in single detached homes. On the Great Northern Peninsula, 91.6 per cent of homes are classified as single-detached, as opposed to 79.1 per cent on the Acadian Peninsula. This indicates potentially more varied options for alternative living on the Acadian Peninsula, such as apartments, as well as possibly indicating greater urbanization on the Acadian Peninsula. It may also indicate a slightly lower ability to afford homes in the region, given the slightly higher value of homes regionally. As demonstrated above, 90 per cent of homes on the Great Northern Peninsula are owned, substantially higher than the Newfoundland and Labrador average. When the condition of homes is compared, it is noted that, in general, houses in Newfoundland and Labrador are in less need of major

repair, with 10.6 per cent requiring such repairs on the Great Northern Peninsula and 12.1 per cent requiring major repairs on the Acadian Peninsula. The percentage of homes in need of major repair reflects both the general economic well-being of the regions, but also the ability of residents in the regions to undertake repairs themselves as part of the informal economy.

4.4 Implications for Locally-owned Trucking

The preceding presentation of demographic profiles of the Great Northern and Acadian Peninsulas uncovers interesting trends. First, it is clearly observable that both regions are economically dependent on natural resources extraction and it is reasonable to assume that historical patterns of dependency have led to the entrenchment of a class structure of domestic commodity production that continues to be reflected in the regions' demographic realities. When compared to their provincial averages in measures of total income, percentage of income as a government transfer, and unemployment rates, each region is demonstrably less economically stable than its respective provinces. When the regions themselves are compared using the same measurements, the Great Northern Peninsula, appears to be in a more tenuous economic situation than the Acadian Peninsula.

In less direct measurements of economic development, including population decline, generational status of residents and immigration to the regions, a similar picture emerges. The Great Northern and Acadian Peninsulas have a difficult time attracting new residents. The reasons for this are likely multiple, including rurality in general, and more specifically, the lack of employment and cultural opportunities, educational pursuits, and

commercial diversity. This may also account for the large proportion of the population with long term, multigenerational ties to the regions. With unemployment rates well above the respective provincial averages, it is difficult to see how people with no ties to these regions would sustain themselves and their families. Other economic indicators, however, provide evidence for the regions' resilience. Home values, while lower than the provincial averages in both regions, are not dramatically lower than these provincial averages. Nor are many homes seriously dilapidated. Similarly, each region seems to have a vibrant informal economic sector illustrated, for example, in the amount of unpaid work taking place in each peninsula.

An interesting conclusion to be drawn from this analysis can be found in comparing the Great Northern and Acadian Peninsulas specifically. In every measure of economic well-being, from income to home value, and rates of employment and unemployment, the Acadian Peninsula is considerably better off. This is not surprising. The Acadian Peninsula is more diverse economically and industrially and has a considerably higher population and more opportunities for advancement. As will be demonstrated in Chapter Six, there is not necessarily a positive correlation between economic well-being, measured statistically, and social resilience on the Great Northern and Acadian Peninsulas. There is more at play in determining the resilience of the regions' locally-owned trucking companies than class structure and statistical indicators of economic well-being. Regional characteristics over which locally-owned trucking companies have no control (including weather, geography, and proximity to large industrial markets) are also crucial in understanding the degree to which they can become resilient within dependency.

By practically every measure discussed in this Chapter, the Great Northern Peninsula is not an attractive trucking marketplace. The Acadian Peninsula is far more securely placed to attract the attention of capitalist trucking firms from outside the region. Interestingly, the degree to which each of these regions is attractive to out of region trucking firms has substantially impacted locally-owned firms' ability to compete and become resilient. This process is exacerbated by policy choices favouring the creation of neo-liberal trucking regulations as discussed in the following chapter.

CHAPTER FIVE

Driving Forces:
Regime Shift in Atlantic Canadian Transportation Policy

> It must be shown to what use transport is being put, consciously or otherwise, in the attainment of basic capitalist objectives, and what determining role it plays in the profound restructuring of space that is the distinguishing feature of any process of development by virtue of the fact that the very socio-economic forces which, in the first instance, lead to a given transformation of the system of transportation being bought about are those which, later, will determine the nature of growth in economic activities. (Peyrega, 1976, p. 73)

Commodity transportation is a crucial factor in community well-being in Atlantic Canada. Yet, the question of whether the region has ever had a *bona fide* transportation policy, one that considers the best interests of the Atlantic Provinces' commodity transportation sector, remains debatable (Henderson, 2006, p. 63). Critical analysis of transportation policy trends indicates that much of what falls into the broad category of transportation policy is best categorized as economic development policy. These policies are increasingly aligned with the neo-liberal goal of deregulation of the commodity transportation sector and the dominance of free markets as the primary determinant of service provision. Economic rationalization has largely superseded policy interventionism which targeted regional economic development through subsidization schemes. Commodity transportation has had its historical precedence as a driving force behind the economic growth of the Atlantic region undermined through successive rounds of restructuring and realignment.

The transportation policy agenda that federal and regional policy makers have chosen to adhere to is shaped neither by concerns about how to balance access to commodity transportation services between regions, nor how to encourage regional

development through commodity transportation. Rather, the policy makers' interest is focused on how to best align the region's commodity transportation sector with the goals of neo-liberalism. This chapter illustrates this point and presents the economic and social consequences of the gradual neo-liberalization of Canadian transportation policy. Second, it reviews the historic link between transportation policy and confederation in both the Maritime Provinces and in pre-confederation Newfoundland. Next, it presents the recommendations of the MacPherson Commission in 1961 as a definitive turning point in Canadian transportation policy, generally. Finally, it examines the impact of the post-MacPherson transportation policy regime on the Great Northern and Acadian Peninsulas specifically.

The historic purposes to which transportation policy has been put are summarized by Gratwick's (2001) contention that "both before and after confederation, governmental involvement in transportation was predicated almost entirely on non-transportation issues and concerns" (p. 2). There are two competing explanations for the developmental path of all policy, including transportation policy, in neo-liberal societies. The first is the pluralist understanding espoused by liberal policy makers which implies that policy reflects the will of the majority, or at the very least, the best approximation of decisions that will have the greatest benefit for the greatest number. The second perspective, which directly questions the pluralistic view introduced above, is informed by political economy and forms the basis of critical analysis of policy regime shift from transportation-as-service to transportation-as-business. It is argued, within the latter, that the influence on the state by profit-seeking capital necessitates that the general thrust of changes in policy will reflect the long term goals of capital accumulation (Knuttila, 2000).

Watters II (undated) presents a compelling case for regime shift in Canadian transportation policy by examining trends in the fundamental amendments to the language used in Canadian transportation policy from the MacPherson (1961) Commission to the Canadian Transportation Act of 1996. Historically, Canadian transportation policy language has contained two primary elements. First, it has noted the importance of an economically efficient transportation system. Second, it has consistently included some measure of support for regional economic development within the framework of transportation policy. Watters II (undated) notes that in the latest iteration of this policy statement, much of the discussion around the importance of commodity transportation for regional economic development has been removed. The 2005 Proposed Statement of Transportation Policy (Bill C-44), removed from the Canadian Transportation Act of 1996 the section stipulating that "transportation is recognized as a key to regional economic development and that commercial viability of transportation links is balanced with regional economic development objectives so that the potential economic strengths of each region may be realized" (Watters II, undated, p. 15). Additionally, Part G of the Canadian Transportation Act of 1996, which required that transportation must not present "an unreasonable discouragement to the development of primary and secondary industries, to export or trade in any region of Canada, or through the movement of commodities through Canadian ports" (Watters II, undated, p. 15) has similarly been removed. This shift in the foundation of transportation policy has significantly impacted locally-owned trucking companies' profitability on the Great Northern and Acadian Peninsulas by removing the legal status of commodity transportation as a key to regional economic development.

The critique of commodity transportation policy affecting Atlantic Canada presented in this chapter accepts the arguments presented by Gratwick (2001) and Watters II (undated) as clear evidence of regime shift in favour of neo-liberal market values in Canadian transportation policy. Furthermore, this chapter will demonstrate that this shift has undermined a key confederation promise to the region while contributing to the region's continued dependency. Essentially, regime shift in Canadian transportation policy is a systematic imposition of deregulation and rationalization without regard for the unique geographic and demographic factors that limit the ability of this region's commodity transportation sector to become competitive (Brodie, 1990; Forbes, 1994). The argument developed in this chapter is not a novel one, but rather a reassessment of an historical position taken by the Maritimes Transportation Commission (1963) reflecting growing dissatisfaction with the impact of Canadian transportation policy on the Atlantic Provinces:

> In our respectful opinion the Royal Commission on Transportation recommendations are principally designed for the over-all transportation situation of Canada. Such over-all recommendations fall far short, however, of adequately covering the important considerations respecting the historic transportation situation of the Atlantic Provinces. (Maritimes Transportation Commission, (1968, p. 1).

By the 1930's, the development of highways and increasing truck technology ushered in significant growth of the trucking industry in the Maritime Provinces (Henderson, 2006, p. 50). The economic promise of the trucking industry hinged on the claim that, given proper infrastructure, trucks were able to run faster and longer, and more efficiently than rail (Scott and Reid, 2000, p. 302). As a consequence, and at the behest of railroad capital, formal regulation of the trucking industry in Canada began to emerge

between 1926 and 1932 (Kaplan, 1991, p. 104; Hirsshorn, 1981, p. 14). At the same time, Canadian railroad capital claimed that the economies of scale needed to operate a railroad at peak efficiency did not exist in much of Atlantic Canada and that freight rates into the Maritime Provinces would have to be increased if rail was going to continue to operate. Complicating its relationship with the Maritime Provinces, rail capital had, by this time, succeeded in establishing a principle of freight rates calculated on the basis of value for service, which argued that rates should simply reflect the maximum price the market could bear for delivery (Henderson, 2006, p. 48). Value for service calculations obscured the true costs of shipment out of the Maritime Provinces and allowed rail capital to consistently defend freight rate increases without offering any justification for them (Henderson, 2006, p. 49). As trucking companies in the region offered the capacity to haul freight cheaply and with considerable flexibility, rail capital exerted tremendous pressure on policy makers at both the provincial and federal levels to rein in this sector's growth. This was achieved through two complementary processes: (a) regulating the trucking industry (Scott and Reid, 2000) and (b) setting in motion a series of policies throughout the 1930's and 1940's that would free rail capital from the economic constraints of constitutionally-guaranteed freight rate subsidies to the Maritime Provinces (Kaplan, 1991; Hirsshorn, 1981).

The deregulation of the Canadian trucking industry began in the late 1960s. This shift was legalized in Canada with the adoption of the *National Transportation Act* (1967), and later, the *Motor Vehicle Act* (1987) governing bus and truck transportation. One of the key elements in the deregulation of Canadian trucking was the belief, rooted in neo-liberal philosophy, that deregulated economies – and by consequence deregulated

industries within them – provide freer access to markets for small producers by allowing them to vie, as equal players, for competitive space on the open market. Deregulation aimed to provide open competition and freedom within the trucking industry, while providing a more hospitable environment for small, flexible, trucking firms. From the perspective of the analysis of the evolution of transportation policy, it is important to note that from its beginning, the trucking industry has had at best a strained relationship with other modes of transportation, and a tenuous relationship with regulators, both provincially and federally.

In the case of both the Maritime Provinces in 1867 and Newfoundland almost a century later, the promise of efficient transportation links to the rest of Canada, first by rail and later by road, played a significant role in securing political and public support for confederation. We will now examine the link between confederation and transportation policy in both the Maritime Provinces and Newfoundland and Labrador.

5.1 Confederation and Commodity Transportation

The building and maintenance of the Intercolonial Railroad and federally-subsidized freight rates played significantly into the Maritime Provinces' entry into confederation (Forbes, 1989; Sullivan, 1978, p. 27). The Intercolonial Railway was completed in 1876 and served as the first permanent, land-based transportation network between the Maritime Provinces and Central Canada, linking several smaller rail networks that dotted the landscape of New Brunswick and Nova Scotia. Historically, Maritime producers of lumber, fisheries and other exports advocated for a transportation policy that would legislate favourable rail freight rates for industrial commodities leaving the region to

allow regionally-produced goods to compete economically in Central Canadian markets (Cruikshank, 1986; Cruikshank, 1992; Forbes, 1994; Gratwick, 2001: 2; Henderson, 2006, p. 48). For railroad capital, headquartered and managed largely in central Canada, demand for natural resources extracted from the Maritime Provinces represented a steady supply of raw materials and a growing retail market, both of which were facilitated by access to rail transportation.

Preferential freight rates for westbound commodities leaving the Maritime Provinces and parts of Quebec (known as the select territories[16]) were legislated in an effort to appease industrial capital in the Maritime Provinces. These appeasements, however, would be hard-won and short-lived. The decades following confederation allowed the entrenchment of the desires of railroad capital into the political agendas of federal transportation policy makers. The first widespread criticism of increasing Maritime freight rates emerged as a central element of the Maritime Rights Movement in the 1920s (Forbes, 1994; Henderson, 2006). The emergence of the trucking sector as a viable competitor to rail at this time only exacerbated the freight rate controversy.

With a little financial incentive and the growth of road transportation infrastructure, the trucking sector's agility posed a substantial risk to the railroad's dominance. This led to the federal government's decision to strike the Royal Commission on Maritime Claims (Duncan Commission). The Duncan Commission conceptualized commodity transportation as, primarily, a service industry and imbued it with a central role in the economic development of the Maritime Provinces. In support of the

[16] See Henderson (2006) for a discussion of preferred territories. Levis, QC served as the boundary between the subsidized rates of the Maritime (later Atlantic) provinces and non-subsidized rates in central Canada.

reinstatement of subsidies in the Maritimes, the Duncan Commission (cited in Maritimes Transportation Commission, 1968) noted that:

> We have come very definitively to the conclusion that the rate structure as it has been altered since 1912 has placed upon the trade and commerce of the Maritime Provinces, (a) a burden which…it was never intended it should bear, and (b) a burden which is, in fact, responsible in very considerable measure for depressing abnormally in the Maritimes today business and enterprise. (p. 7)

The *Maritime Freight Rates Act* (MFRA), enacted in 1927, responded directly to the recommendations of the Duncan Commission. Most notably, it legislated provisions for the return of subsidization (Forbes and Muise, 1993). The reinstatement of subsidies aimed to ensure that transportation costs for goods within or out of the Maritime region did not impede economic growth regionally. By the late 1940s, the Board of Transport Commissioners of Canada approved a series of freight rate increases that systematically undermined the subsidies set in place by the Maritime Freight Rates Act. The response to increased freight rates by the political leadership of all three Maritime Provinces was immediate, if not always concerted. As Henderson notes: "In their efforts to persuade the federal government to change its views on post-war transportation policy, the three Maritime governments were prepared to sing from the same hymnbook but not always from the same page" (Henderson, 2006, p. 47).

Consequently, the Maritime lobby was unsuccessful in having the new freight rates repealed. The stage had been set for a fundamental dismantling of decades of struggle over freight rate subsidization and the perceived injustices of confederation's promises of competitive commodity transportation systems in the Maritime Provinces. The debate surrounding the relationship between transportation and region building

would be forever altered by the MacPherson Commission's findings. Section 5.2 critiques the long and winding road towards deregulation in Canadian transportation policy beginning with the monumental shift espoused by the MacPherson Commission. Prior to discussing the MacPherson Commission, however, the quite different transportation conditions in Newfoundland and Labrador need to be described.

In Newfoundland, the era prior to confederation was dominated by rail transport. Poor roads and no inter-provincial highway network limited the growth of the trucking industry to limited instances of resource extraction and other local activities.[17] Transportation issues, however, dominated much of the debate surrounding Newfoundland's entrance into confederation. As local producers sought market share outside of the island, and away from traditional shipping partners, access to transportation networks in mainland Canada were a major short term goal. Reflecting this, the Terms of Union contained in the Newfoundland Act, the legal framework for Newfoundland's entrance into confederation, states that with regard to transportation:

> 32. (1) Canada will maintain in accordance with the traffic offer a freight and passenger steamship service between North Sydney and Port aux Basques, which, on completion of a motor highway between Corner Brook and Port aux Basques, will include suitable provision for the carriage of motor vehicles:
>
> (2) For the purpose of railway rate regulation the Island of Newfoundland will be included in the Maritime region of Canada, and through traffic moving between North Sydney and Port aux Basques will be treated as all rail traffic.
>
> (3) All legislation of the Parliament of Canada providing for special rates on traffic moving within, into, or out of, the Maritime region will as far as appropriate, be made applicable to the Island of Newfoundland.

[17] "Roads for Rails: The Closure of the Newfoundland Railway." Retrieved from http://www.heritage.nf.ca/society/cn_roads_for_rails.html

Section 32 of the *Terms of Union* stipulates that freight rates adjusted for the Maritime Provinces will also include Newfoundland. Further, commodity transportation between North Sydney and Channel-Port aux Basques was to be treated as "all-rail" traffic in terms of pricing. Finally, it was recommended that the expense of maintenance and repair for the railroad would remain a federal economic responsibility. In partial recognition of the Maritime Transportation Commission's recommendations and as tacit acceptance of the Terms of Union between Newfoundland and Canada, the Federal government enacted the *Atlantic Region Freight Assistance Act* in 1969, which upheld the importance of freight rate subsidization in Atlantic Canada, and formally allowed rate subsidies to be transferred from rail transport to competing modes – primarily trucking.

5.2 The MacPherson Commission

In 1949, the Canadian federal government passed the *Trans-Canada Highway Act*, which legislated the construction of a coast-to-coast national highway.[18] This signaled both a regulatory and an ideological shift in transportation policy priorities in Canada. Trucking requires highways, and the promise of a national highway challenged the monopoly of Canadian railroad capital. Could unregulated trucking drive highly regulated rail operations into bankruptcy? The rail sector once again returned to its demand to relax or dismantle freight rate legislation and enact regulations on the trucking industry, arguing that trucking operated at considerably lower costs due to the subsidization of highway construction and maintenance. Responding to increased pressure within the transportation sector to re-evaluate the regulatory framework, the Federal government struck the *Royal*

[18] Retrieved from http://transcanadahighway.com/general/transcanadahighway.htm

Commission on Transportation (McPherson Commission) in 1961. The Macpherson Commission's findings were unequivocally clear: transportation policy in Canada should regulate the most efficient, cost effective means of commodity transportation; subsidization of freight rates could not be allowed to interfere with market rationalizations; policies unduly restricting the growth of the trucking sector would not be enacted. The market would dictate the growth of the transportation sector. As stated by the Commissioners:

> The objective of a National Transportation Policy shall be to ensure that the movement of Canadian goods and people is effected in a manner which utilizes fewest economic and human resources. This is merely to say that, given the preferences of those people who wish to move themselves or their goods, the movement shall be accomplished as efficiently as possible (MacPherson, 1961).

The MacPherson Commission clearly demarcated between national policy – the set of broad national goals the government seeks to implement – and national transportation policy, a much more narrow set of operating guidelines. The recommendations of the Commission laid the foundation for a fundamental philosophical shift in the goals of transportation policy, captured politically, in the passage of the *National Transportation Act* of 1967 (Gratwick, 2001, p. 3). This legislation continues to influence transportation policy objectives, including the findings of the *Canada Transportation Act Review Panel* in 2003, which stipulated that transportation in Canada should be guided by competition, efficient pricing, harmonization of modal technologies, and transparency in policy and regulatory networks (Canada Transportation Act Review Panel, 2001. The economic consequences of MacPherson's recommendations were not

lost on Maritime Provinces' policy makers and those who relied on subsidized transportation of goods from the Maritime Provinces to markets in central Canada.

In 1963, the Maritimes Transportation Commission filed a submission with the Standing Committee on Transport and Communications, the national board responsible for implementing the recommendations of the MacPherson Commission in the National Transportation Act. Its submission echoed the concerns expressed ten years earlier by the Maritimes Transportation Commission that there was a growing disjuncture between the explicit goals of Federal transportation policy and the transportation needs of the Atlantic region, most notably ignoring the fact that transportation had been treated historically as a tool for economic development in the Atlantic region (Maritime Transportation Commission, 1968, p. 2). In its words, "the national transportation policy calls for the operation of the transportation system along straight businesslike lines largely under the control of the free operation of inter-modal competitive forces" (Maritime Transportation Commission, 1968, p. 1). The implicit fear expressed by the Commission was that if rate determination in Atlantic Canada was left to market forces, transportation prices for commodities in Atlantic Canada would skyrocket, effectively making it impossible for industry based in the region to compete with industry elsewhere. Due in part to growing reliance on out of region trucking companies in Atlantic Canada, the Commission also suggested that the subsidies that had been used to offset the costs of rail transport to the region be extended to other modes of transportation. This move would allow the commodity transportation sector in the Maritimes to keep pace with changes elsewhere. The Commission's argument was rooted in its interpretation of the terms of confederation, arguing that efficient, reliable,

and, if necessary, subsidized commodity transportation between the Atlantic region and the rest of Canada was mandated legally.

Through the 1970's, the struggle between the competing visions of the appropriate role for the commodity transportation sector in the Atlantic Provinces continued. The regional economic lobby continued to argue for the maintenance of policies favourable to the transportation-as-service model:

> The most fundamental characteristic of the Atlantic region's approach to transportation is our concern for strengthening our economic base… This deep interest in the connections between economic development and transportation is heightened by the distances between our industries and their principal marketplaces and by what, in a number of instances, are inferior transportation facilities. (Connor, 1974, p. 22)

The MacPherson Commission's legacy was the erosion of freight rate subsidization and the increased deregulation of the commodity transportation sector promised in the *National Transportation Act* (1967). Officially, deregulation of the formal transportation sector in Canada occurred in 1987 with the passing of two related pieces of legislation, clearly separating the trucking sector from other commodity-driven modes of transportation, and aligning it with other forms of road transport. These are the *National Transportation Act* (1967) governing marine, rail, and air transport, and the *Motor Vehicle Act* (1987) governing bus and truck transportation. Proponents of deregulation assert that regulation was a burden on the efficiency of the commodity transportation industry in Canada (Hirshhorn, 1981, p. 111).

The *Motor Vehicle Act* of 1987 formalized a shift from the standards of Public Necessity and Convenience[19] to the standard of fitness (Transport Canada, 1988). By

[19] Royal Commission on Transportation, 1932.

January 1, 1993, the standard of fitness had become the only regulatory hurdle for Canadian trucking enterprises to overcome when applying for operating authority. All regulatory barriers to entrance into the trucking industry had been dismantled. If prospective company owners indicated a willingness to enter the trucking industry and had the financial support to do so, regulators were largely unconcerned with the social value of the proposed company. The ideology of self-regulation that emerged with the passing of the Motor Vehicle Act frames transportation policy in both case study locations. State intervention only applies to mergers and acquisitions if the revenues of the companies involved are over $10 million annually; and even then, intervention only begins when official complaints are filed with the Department of Transportation (Transport Canada, 1988). As long as applicants can prove they are capable of operating by securing proper insurance coverage, operating authority will be granted. Transportation capital from outside of the region has demanded market rationalization in line with the transportation-as-business perspective. Market forces have prevailed. Deregulation of the trucking industry is now heralded as a key to economic development in Atlantic Canada. As one transportation policy maker in Newfoundland and Labrador noted, the promise of deregulation is twofold: first, it will spur economic creativity; second, it will ensure that only the best – the safest and the most efficient companies – operate regionally:

> Deregulation of the trucking industry has had a substantial impact in two ways. It has allowed creativity to take place in the trucking industry, and it has allowed niche trucking industries to develop. New equipment, more carriers, eased a lot of the financial burden on the carriers in dealing with the public utilities board (NL policy maker, May 2005).

Having discussed transformative changes in transportation policy in broad strokes, we will now examine the social and economic impact on these changes in both case study locations.

5.3 The Impact of Transportation Policy on the Great Northern Peninsula

> How efficient is transportation policy in creating an efficient market for trucking services on the Northern Peninsula…well, first of all I would say there is no transportation policy (NL policy maker, May 2005).

The first specific reference to the role of the trucking industry in Newfoundland and Labrador was in a report entitled *The Transportation Factor in Distribution of Newfoundland Fishery Products*, tabled in 1952 by the Federal Department of Fisheries, Markets, and Economics Service. This report acknowledged that trucking development in Newfoundland lagged behind the rest of Atlantic Canada primarily due to the absence of suitable highways linking the Avalon Peninsula with western Newfoundland (Department of Fisheries, Markets, and Economics Service, 1952, p. 29). Poor infrastructure impacted the growth of the trucking sector, and, consequently, Newfoundland had no common carriers operating inter-provincially at this time. Similarly, and perhaps forebodingly, only two mainland companies showed any interest in beginning operations in the future, should infrastructure be put in place. Inter-provincial, or even intra-provincial trucking, was not conceptualized as a viable alternative to marine and rail transport for the province of Newfoundland at this time (Department of Fisheries, Markets, and Economics Service, 1952, p. 31). The next reference to trucking in Newfoundland came from Joseph Smallwood. In noting the severe handicap facing most forms of inter-provincial transport in Newfoundland, Smallwood (1959) stated:

> The geographical distance of the manufacturer in Newfoundland from his source of raw materials and his market for his finished product constitutes a serious handicap to him and an advantage in favour of his mainland competitor. Raw materials required for the fabrication of his finished product have to be transported many additional miles to his plant site and the cost of transportation involved in this movement is a serious factor in the ultimate cost of his manufactured product. Then again the movement of the finished article from his plant into the Mainland market is subject to heavy freight charges which aggravate the handicap under which he is required to operate. (p. 12)

In his 1959 submission to the MacPherson Commission, Smallwood, then Premier of Newfoundland, acknowledged that the province suffered from two severe handicaps as far as commodity transportation was concerned. First, the distance to markets, including the necessity of ships for all inter-provincial transportation, was identified as the single largest barrier impacting efficient commodity transportation into and out of the province. Second, and reflecting the significant costs of commodity transportation in the province, Newfoundland consumers were forced to contend with the spectre of predatory pricing schemes.

It has been argued that Newfoundland converted to roads "a century behind the rest of America" (Centre for Regional Studies, 1972, p. 12). In its submission to the MacPherson Commission in 1959, Bowater's Newfoundland Pulp and Paper Mills Limited noted:

> Limited road net and poor condition of the existing roads not only are severe deterrents to the development of the trucking and associated industries, but also the factors which influence adversely the cost of operations for the Newfoundland paper industry. (p. 4)

A supplementary submission by the government of Newfoundland, on behalf of Bowater's Newfoundland Pulp and Paper Mills Limited, noted that in many instances

roads it constructed for the purpose of moving lumber to its mills had been incorporated into the provincial network at considerable expense and with little return in revenue from trucking companies through taxes or other regulatory fees (Bowater's, 1959, p. 2). While rail transport accounted for the movement of upwards of 150,000 cords per year for Bowater's, increasingly trucks were needed to move wood to rail yards at additional expense for the provincial government in terms of increased demand for high quality road construction. Bowater's predicted that in the coming season (1960), trucks would be used to transport upwards of 200,000 cords of wood. The costs associated with driving trucks over poorly maintained roads were substantial:

> It is in fact remarkable how trucking has developed to such an extent in spite of the difficulties that are imposed by existing road conditions. The answer has been that it has developed at the cost of more expensive wood, for only by charging a rate substantially higher than would be normal on good roads can the truck owner operate without loss (Bowater, 1959, p. 2).

The government of Newfoundland was aware that the competitive advantage of Newfoundland's wood supply, owing to its higher quality pulp, would be neutralized by the high cost of transporting wood from point of harvest to the mill if there was no investment in higher quality road infrastructure. Modern road development throughout the Great Northern Peninsula was crucial to the sustainability of the region's forestry sector. An additional concern emerging from the Bowater's submission was that access to stands of high quality wood should be seriously considered when determining routes and priorities for future high quality road development. Regarding the Great Northern Peninsula, it was noted that "with extensive woods areas in the base of the Peninsula,

logging requirements might well be the deciding factor in routing" (Bowater's, 1959, p. 3).

This logic was not well accepted by the MacPherson Commission, as demonstrated by its expressed desire to end industrial subsidies (for example, road construction specifically related to support lumber extraction). Newfoundland, it seems, represented for the MacPherson Commission a province with "peculiar transportation needs unlike the other settled parts of Canada" (Maritimes Transportation Commission, 1968, p. 18). The impact of the MacPherson Commission's recommendations were exacerbated in Newfoundland in the 1960's as trucking began to take hold in the province due to further inter-provincial road building and the promise of the Trans-Canada Highway, finally linking both coasts of the island.

The changing nature of industrial development in Newfoundland in the 1960's significantly impacted the development of trucking in the province. In just over two decades trucking had gone from being widely discredited as a player in the province's transportation sector to a central component. Burdened with the second longest stretch of Trans-Canada Highway in the country and a tax base hardly sufficient to bring provincial highways on par with their mainland counterparts, road building budgets in Newfoundland at the time focused on the maintenance of the Highway. Little modernization of the Great Northern Peninsula Highway was undertaken. By the 1970's, the Trans-Canada Highway linked St. John's and Channel-Port aux Basques, and the provincial *Motor Carrier Act* of 1970, which stipulated the operating regulations of the for-hire trucking industry in Newfoundland, had been passed. Ferry service to the mainland was being modernized with the introduction of roll-on/roll-off (ro-ro) capacity

(Barnstead, 1981). Modal transformation was not lost on policy makers in Newfoundland and Labrador. Some of the benefits offered to the fishery sector by trucking are summed up in the following statement by H. P. Connor, at a meeting of Atlantic Canadian transportation officials in 1974:

> Truck transport is by far the most effective for our industry. Fishery products are, of course, highly perishable, and door-to-door shipment, eliminating the slow and costly handling and rehandling involved in all other means, is a great advantage. Truck transport is faster than rail or ship and does not require such large shipments. Refrigerated trucks carry loads of 30,000 to 40,000 pounds and make ideally sized shipments for almost all buyers (p. 70).

In 1978, the federal government proposed a *Royal Commission on Newfoundland Transportation* (The Sullivan Commission) to examine possibilities for the organization of Newfoundland's transportation sector to align provincial trends and standards with those emerging nationally. Keeping in line with the spirit of the MacPherson Commission and the National Transportation Act of 1967, a central recommendation of the Sullivan Commission was that the government of Newfoundland should strike a balance in defining policy objectives. The Sullivan Commission's recommendations sought to align transportation in Newfoundland with changes occurring outside the province (Sullivan, 1978, p. 229). First, it was recommended that Newfoundland adopt a user-pay system in its transportation sector to offset the additional costs accruing to transportation companies willing to do business in Newfoundland. The second recommendation was a selective removal of subsidies, so that subsidies on goods that could be manufactured in the region would be eliminated and subsidies on raw materials would be expanded, ensuring that the desire to continue harvesting and transportation Newfoundland's natural resources would not suffer. Third, and in keeping with the trend of restructuring subsidies off the island, it

was suggested that Labrador be included under the framework for subsidies set forward in the *Atlantic Freight Rates Assistance Act* (1969). Fourth, the Commission recommended that intermodal competition be encouraged whenever possible inasmuch as this would help in the development of an efficient transportation system in Newfoundland.

The Commission suggested that provincial policy should balance users' needs with free market deregulation. In order to achieve these goals, the Sullivan Commission recommended the complete dismantling of the province's rail sector. The existing inter-provincial railroad was characterized by poor construction, poor engineering, and the use of a narrow, non-standard, rail gauge which required all goods being shipped to Newfoundland and Labrador by rail to be reloaded onto rail cars equipped with narrow gauge trucks (Sullivan, 1978, p. 75-77). It is perhaps not surprising, given the poor outlook for an inter-provincial railroad that the commissioners were in favour of a more fully developed trucking sector that could compete directly, and be completely compatible with, trucking services provided outside of the province (Sullivan, 1978: 52). Substantial highway improvements were recommended. In its final report, the Sullivan Commission noted that, "what canals and locks did for central Canada and what the transcontinental railroad did for western provinces, the highway does for Newfoundland" (Sullivan, 1978, p. 27). The Commission suggested that $550 million be invested into roads in Newfoundland and that this expense, traditionally considered a provincial expenditure, be ninety per cent funded by the Federal government (Sullivan, 1978: 236). Along with highway infrastructure, the Commission also recommended the construction of a series of central terminals throughout the province that would be fed by regional trucking firms, thus largely eliminating the need for single trucks from outside the region

to make the 12 hour drive across the entire province. Finally, keeping alive a promise of Newfoundland's terms of union with Canada, it was also recommended that:

> In principle, the Gulf Crossing should be treated as the equivalent of a road crossing, with rates for basic travel charged accordingly, and extra services provided on a user-pay basis where possible, and that this principle be applied to the Argentia service when feasible. (Sullivan, 1978, Appendix A)

Delays that may be inconvenient for the travelling public often become serious financial costs for the trucking industry. All aspects of trucking on the Great Northern Peninsula are subject to a series of potential delays, from weather on and off the Peninsula to ferry schedules. Road building problems in Newfoundland and Labrador are exacerbated by the geography and climate of the Great Northern Peninsula. Trucking companies' continued unwillingness to do business on the Great Northern Peninsula indicates that the serious problems identified by Smallwood and others in the 1950s have not been properly addressed in transportation policy. An owner of one of the major trucking companies operating on the Great Northern Peninsula aptly summarizes the current lack of interest in trucking by Newfoundland and Labrador policy makers:

> It's [trucking] a money in, money out business. You know, when the fishery collapses, you have Danny Williams saying that no fishers will go without, but what about the trucking industry? We've invested a lot of money into reefers[20] and trucks to work in the fisheries, and if there's no fish, we have no loads and make no money. But if I complain to the government, they're going to say, 'well, that's business…you decide to buy the truck.' Well, fishing is just business too. (Company A)

[20] A reefer, in this context, is common language for a trailer-based refrigerator motor that can be run on diesel while unattached to a truck, for example, in a loading dock or warehouse facility.

Comparably, a senior policy transportation policy maker within the Government of Newfoundland and Labrador reflected the prevailing attitude towards the province's trucking industry:

> I don't think that government has a particular requirement to ensure that a restaurant that starts up in a mall or a fellow who wants to start a corner store is prepared to do so, and on that basis I don't see it as the role of government to regulate certain aspects of the guy who wants to become a trucker. In Newfoundland and Labrador, the trucking industry really exemplifies 'if you got it a truck brought it' both in terms of industrial and consumer goods. The trucking industry is substantially important. (NL policy maker, May 2005)

This situation aligns itself with the gradual evolution of neo-liberal influence over transportation policy more generally. Locally-owned trucking companies on the Great Northern Peninsula clearly feel they have been left to confront conditions of dependency on an unequal playing field. Provincial government investment in the fisheries sector, according to struggling trucking companies, appears to be much more about demand for fisheries products outside of the region than helping struggling fishers in the long run. These policy changes reflect little knowledge of the factors that determine to a large extent the necessary conditions for the maintenance of viable locally-owned trucking companies, which unlike individual truck drivers who follow the need for labour outside of the region when necessary, are tied to the Great Northern Peninsula in good times and bad.

5.4 The Impact of Transportation Policy on the Acadian Peninsula

> New Brunswick is strategically located on the east coast of Canada and North America, acting as a gateway and trade corridor for national and international markets. Economic growth depends on the export and import of products and resources as well as transportation systems that enable goods and people to be transported with world class efficiency. (Landry, 2010)

New Brunswick's entrance to confederation was largely secured on promises of access to reliable and affordable rail links with the rest of Canada. In New Brunswick, post-MacPherson transportation policy has largely reflected the policy agenda of a deregulated free-market laid out in the *National Transportation Act* of 1967. The expansion of New Brunswick's highway infrastructure has largely ignored the regional needs of the Acadian Peninsula, leaving all commercial and other traffic operating on single lane highways, often in similar conditions to those experienced on the Great Northern Peninsula highway. As the province secured private construction and management of its Trans-Canada Highway corridor on the western side of the province, the major route through the Acadian Peninsula (NB Route 11) remains largely single lane and is seen as limited commercial and tourist development on the peninsula:

> Route 11 is economically choking the Miramichi and much of the North. When a business is looking to set up, as you know, they will look at the infrastructure surrounding them. It is important that they know they can get their products, services, and people around the province and beyond safely and in an efficient matter. We just need to give the Miramichi and the North the same opportunities and they will thrive.[21]

The construction of modern highway infrastructure to the Acadian Peninsula, however, is of secondary concern to New Brunswick policy makers. Rather, the primary transportation focus is on facilitating transport through New Brunswick from Nova Scotia

[21] "Gallant Sees Infrastructure Investments in the North as Vital" Retrieved from http://www.miramichionline.com/gallant-sees-infrastructure-investment-for-the-north-as-vital/

to Quebec and on to US markets along the Trans-Canada Highway corridor. One corridor – the Atlantic Corridor – sees New Brunswick play a fundamental role in the efficient movement of freight between the port of Halifax and markets in both the eastern seaboard of the United States and domestic markets in Quebec and Ontario. In March of 2011, Keith Ashfield, then Federal Minister of State for the Atlantic Gateway, noted that "The Atlantic Gateway and Trade Corridor Strategy ensures our region has the infrastructure and regulations necessary to build the robust, competitive economy Atlantic Canada needs to prosper in the 21st century."[22] Emphasis has been placed on securing privatized construction and maintenance of a modern four-lane connector to New Brunswick's two major international border crossings at Houlton, Maine and Calais, Maine, which is Atlantic Canada's busiest commercial traffic border[23]. Together, these routes have been identified as crucial links in the advancement of the Atlantic Corridor strategy. The goal of the Atlantic Corridor Project is to transport truckloads of commercial goods landed at the ports of Halifax and Saint John, as well as fish and forestry harvested in New Brunswick, out of the province as quickly and efficiently as possible. The completion of the Atlantic Gateway will facilitate direct competition with larger companies from both within and outside of the province.

Another key policy development in New Brunswick transportation policy follows an established trend of improving inter-provincial jurisdictional efficiency. In this regard, the Province of New Brunswick supports the development and implementation of The Atlantic Provinces Intelligent Transportation Systems (ITS). This strategy seeks to

[22] "The Government of Canada Announces the Atlantic Gateway and Trade Corridor Strategy" Retrieved from http://www.tc.gc.ca/eng/mediaroom/releases-2011-h032e-6322.htm
[23] Retrieved from http://www.gnb.ca/0113/route1/index-e.asp

harmonize weight and size restrictions for commercial truck traffic throughout the Atlantic region and, whenever possible, to bring these standards in line with those in other jurisdictions. The underlying aim is to maximize freight movement through the province by increasing the volume of freight moved by a single truck. In keeping with this strategy, the province is currently undertaking several trials for using long commercial vehicles which are single power units (tractors) hauling two full-length 53 foot trailers. Currently long commercial vehicle use is limited to sections of the Trans-Canada Highway and Highway 1 between Saint John and Moncton. This movement is likely to impact locally-owned trucking companies on the Acadian Peninsula who have neither the financial resources nor the freight volume to consider this necessary.

The trucking industry on the Acadian Peninsula is, in practical terms, being left behind by provincial trucking policies clearly aimed at connecting New Brunswick infrastructure and policy with jurisdictions outside the province and, consequently, further entrenching the profitability of the province's major trucking enterprises. Geographically, the Acadian Peninsula is not situated to become a major player in the Atlantic Gateway – at least not in terms of trucking services. The port of Belledune does offer capacity in freight movement; but it, like New Brunswick's major port in Saint John, is used primarily in the movement of bulk aggregates like zinc. While there is limited local truck traffic associated with moving aggregates from the mine to the port in Belledune, this certainly is not a significant contributor to either the region's trucking industry or to the role played by trucking in the Atlantic Gateway.

5.5 Taking Stock of Regime Change

> The remedy was to free the market from state intervention to allow it to take its own course. However, ironically, human capabilities in the developed countries were not the product of the free market but the product of the regulation of the market by the state and of strong public action and involvement with a view to winning their rights. (Herath, 2008, p. 830)

` The transition to neo-liberal transportation policy in Canada has had the impact of reproducing regional inequalities in access to efficient commodity transportation networks. Many locally-owned trucking companies in Atlantic Canada have been removed from the policy debate. Yet, the current regulatory framework to which these companies must adhere determines to a considerable extent whether they fail or persevere and, additionally, whether they remain dependent or become resilient. Neo-liberal transportation policy is, in this regard, doing exactly what it is intended to do. That is, it is allowing market forces to determine the growth or decline of trucking companies. As Henderson notes with regard to the divergent interests of transportation policy makers and locally-owned trucking companies and the communities that rely on them: "So long as the region's leaders remained bound by respectable liberal thinking, they could not fashion an effective argument for special treatment. They had to accept that unequal things should be treated unequally" (Henderson, 2006, p. 63).

This chapter has sought to demonstrate that industrial development in the Atlantic Provinces reflects "strong competition and the superior capital infrastructure of central Canadian industries" (Johnson, 1983, p. 111). Historically, rail capital had responded to the structural dependency of the Maritimes by simply arguing that the costs of doing business in the region should be borne by shippers in the region and not the railroad

sector (Maritime Transportation Commission, 1968, p. 5). The federal government, historically, had responded by allowing for the gradual commercialization of the Intercolonial Railway, despite protests from Maritime shippers. In 1923, the Intercolonial Railroad became part of the newly established Canadian National Railroad system, bringing with it an end, temporarily, to preferential westbound freight rates on which Maritime industry had come to rely (Maritime Transportation Commission, 1968, p. 6). Rate increases were generally seen as a broken promise of confederation in the Maritimes, and the ensuing political unrest prompted the birth of the *Maritime Rights Movement* (Darling, 1974, p. 13; Forbes, 1989).

To some degree, claiming that changes in transportation policy are the sole contributor to economic decline has been refuted. Wilson (2004), for example notes that:

> Local circumstances such as levels of economic dependence… the geographic distribution of the workforce, and the options available to the companies to confront changes… affected socioeconomic well-being… The most important findings, however, are the roles played by the resource itself, namely its size, shape, location, and quality. (p. 278)

Forbes notes that, "a newcomer to Canada might have difficulty in understanding why it is more efficient to phase out a mode of transportation in which one engine can carry more than 100 loads of freight in favour of one which employs 100 engines for the same purpose" (Forbes, 1989, p. 146). To answer this question, one must subject developments in transportation policy to closer scrutiny within the framework of neo-liberal market ideology. In this sense, transportation policy continues to be used for purposes beyond the control of the transportation sector. Instead of being seen as a tool of regional economic development, however, it is increasingly coming to be used as a tool for capitalist expansion. Gaudry (1997), reflecting on regime shift, notes that developments in

transportation policy reflect a "musical chair game" (p. 3) in which policy objectives are often manipulated for the benefit of numerous interests not directly tied to transportation.

Regulatory policy in the commodity transportation sector has shifted emphasis from transportation-as-service to transportation-as-business. Informed by the data presented in Chapter Four and the developmental path of transportation policy presented here, Chapter Six examines how the economic structures of dependency, the social relationships of domestic commodity production, and the market imperative of Canadian transportation policy have shaped the varying degrees of resilience within locally-owned trucking companies on the Great Northern and Acadian Peninsulas.

CHAPTER SIX

Dependency, Resilience, and Resilience within Dependency

The previous two chapters have presented a political economy and demographic profile of the Great Northern and Acadian Peninsulas as well as a critical interpretation of the development of neo-liberal regime shift from transportation-as-service to transportation-as-business affecting trucking in Atlantic Canada. This chapter critically examines the responses of locally-owned trucking companies to dependency, regional political economies, and transportation policy regime shift on the Great Northern and Acadian Peninsulas.

The data presented in this chapter reveal the ways locally-owned trucking companies on the Great Northern and Acadian Peninsulas operate and succeed, or fail to succeed, within structural conditions of dependency. Specifically, I examine how locally-owned companies navigate the unpredictability of operating in rural Atlantic Canada. It is uncovered through the analysis of data collected in case studies of locally-owned trucking companies on the Great Northern and Acadian Peninsulas, that these companies' sustainability is affected by everything from poor highway infrastructure to severe weather. Under these conditions, successful locally-owned trucking companies rely on the mobilization of local knowledge by trucking company owners and the support of the communities they serve. It may seem reasonable to assume that all locally-owned trucking in Atlantic Canada is destined to remain dependent. The data presented in this chapter, however, point to a surprising situation. Not all locally-owned trucking companies are equally constrained by the dependency of the regions in which they operate. On the Great Northern Peninsula, locally-owned trucking companies demonstrate

significant resilience in the face of a regional political economy defined by dependency and harsh condition. Conversely, locally-owned trucking companies on the Acadian Peninsula – as presented in Chapter Four, a region demonstrably better off than the Great Northern Peninsula – have proven significantly less able to mitigate dependency through acts of resilience. This chapter explores the data collected from both case studies in more detail. First, it presents data from locally-owned trucking companies on the Great Northern Peninsula. Next, it presents the data from locally-owned trucking companies on the Acadian Peninsula. Finally, it assesses the data presented in Chapters Four through Six in the context of the theoretical model of resilient enterprises within dependent regions constructed in Chapter Three.

6.1 Locally-owned Trucking on the Great Northern Peninsula

Due to geography, climate, poor roads, and ferry crossings, truck drivers on the Great Northern Peninsula often literally find themselves with a long way to go and a short time to get there. Locally-owned trucking on the Great Northern Peninsula is controlled by two companies. Both of these are examined as one case study, yet for comparative purposes they are presented individually as Company A and Company B. This will allow a comparative examination of varying paths towards resilience in the region. While each company offers similar levels of service and competes for total customer share on the peninsula, the history, development, and current operating practices of each are fundamentally unique and reflect the considerable lengths both companies go to to remain profitable in a region that most trucking companies avoid at all costs.

Company A was the first to provide trucking services on the Great Northern Peninsula and is a multigenerational, family-owned business. It is, perhaps, the quintessential Great Northern Peninsula company. It is well known and respected locally; its trucks are readily identifiable, and its relationships with customers are often longstanding and enmeshed into everyday life in many communities along the Peninsula. The owner recounts his company's development as a process of gradual expansion from a small family business with limited capacity to the largest locally-owned and operated trucking firm in the province of Newfoundland and Labrador as well as the largest LTL carrier on the Great Northern Peninsula. The development of Company A's position in the Atlantic Canadian trucking sector as well as its strategies to maximize its capacity to counteract its position are alluded to by its owner in the following quote:

> Our family has been in business about 35 years. My grandfather started running goods up to the Northern Peninsula on a gravel road with a small truck. We are second generation now. We have approximately 300 pieces of equipment in the fleet right now. We are the biggest in Newfoundland. Our competitors are some of the national companies… so we're competing with those guys but at the same time we try to work with them because there is no way of competing against the larger firms these days. This has given us a base to work within the island and southern Labrador. We have between 8 and 10 trucks running consistently up and down the Northern Peninsula. (Company A)

Company B, by comparison, is also a family-owned business, but is considerably smaller and it is a more recent entrant into the locally-owned trucking sector on the Great Northern Peninsula. However, Company B's owner is a lifelong resident of the peninsula and as such is intimately aware of the importance of understanding one's market. Company B operates as an independent broker with three trailers and two power units, employing between two and three drivers and all of Company B's operations are leased

exclusively to a major national trucking firm headquartered outside of Newfoundland and Labrador. Company B's competitiveness in light of considerable pressure from Company A is secured by the relationships it has forged with the out-of-region company it is integrated with. All of Company B's freight is generated through its parent company's extensive customer base. This allows a regularity of service on the Great Northern Peninsula comparable to Company A. In fact, both companies are, perhaps surprisingly, able to offer next day service from anywhere in Newfoundland and Labrador to the Great Northern Peninsula. Company B's owner explained his company's logistical relationship between the national partner and his business in the following way:

> I'm running under their colours. That's the kind of system they've got. They have a bunch of terminals and they just keep moving things from terminal to terminal across-dock. Most of our stuff is coming out of St. John's… If something comes into St. John's tonight, it's overnight to Corner Brook and it will be on this coast [the Great Northern Peninsula] tomorrow morning.

Company A and Company B are the only major players in the LTL sector on the Great Northern Peninsula. They haul the vast majority of consumer goods needed on the Great Northern Peninsula, with the exception of a few specialized contracts handed to outside companies. On the Great Northern Peninsula, there is very little competition between the TL and the LTL segments of the trucking industry. The LTL sector has the most direct impact on the well-being of communities in the region, and is by far the most common form of trucking on the Great Northern Peninsula. Company A's owner noted that when TL freight is shipped onto the Peninsula, the companies contracted to deliver the load will generally carry it to the final destination as opposed to sub-contracting it to

Company A. Here, Company A's owner makes the distinction between TL and LTL freight:

> Once a load gets up in weight to 10,000 or 15,000 pounds, a lot of carriers will decide that it's just as easy for them to take it up the Peninsula themselves. There might be a new wharf being built and then you would see maybe five flatbeds of steel heading up the Peninsula from Montreal. We're mostly here for the parcels, the skids.

The customers' choice of whether to employ either Company A or Company B for LTL freight is largely based on personal relations between individual drivers and shippers, and in the case of long-term customers, tradition and familiarity. Forging personal relationships with customers is crucially important for both companies. The comparable resilience of both companies indicates that relationships with customers outweigh questions of pricing or substantive differences in quality of service for the region's shippers. There is a fundamental relationship of trust between the companies and the customers they serve on the Great Northern Peninsula that reflects a shared understanding of what it takes to get business done in the region. Company B's owner demonstrates the comparable services offered by both his company and its major competitor on the Great Northern Peninsula:

> As far as LTL services on the coast, I'd say it's all hauled by either Company B or Company A. You see a few [company name] trucks up here. They have a contract with Lewisporte Wholesalers, bringing some food to the Foodland Stores, but most of that is contracted to Company A. We do Sobeys work; we do a run every week with meats out of Debert. We start in Port aux Choix on Monday morning and deliver to the Foodland there, then head to Roddickton, and then drop the trailer in St. Anthony to the Foodland there. They're the only three grocery stores on the Northern Peninsula.

While the service provided by both companies appears to be similar, the methods they employ are fundamentally different. Company A acts as the provincial distributor for several mainland companies with contracts in Newfoundland and Labrador. Company B, on the other hand, exclusively hauls freight from within its out-of-region partner's internal network of customers. In essence, both companies' success is tied to their integration with trucking firms outside the region. Company A maintains its customer base with the breadth of its relations, whereas Company B's success reflects the depth of its relationships. There are several other key differences between the companies which will be introduced here and examined in more detail in the following sections.

First, Company A's operations are impacted by freight volume and management, whereas Company B's operations are shaped by flexibility and regular pick-up and delivery times. Second, Company A's workforce is entirely wage labour, whereas Company B's much smaller workforce is more in line with typical patterns of domestic commodity production in that it operates as a small business and relies on the paid (and unpaid) labour of family members. These key differences are presented in Table One:

Table One
Models of Trucking on the Great Northern Peninsula

MODEL	Competitiveness	Labour Process
Company A	Competitiveness achieved by surplus equipment, large labour force, and ad hoc terminal network.	Wage labour. Heavy reliance on warehousing and load coordination.
Company B	Competitiveness achieved by international customer network, operating subsidies, and	Small business model (one owner-operator and a limited number of wage-labour drivers).

	regularity of service.	Heavy reliance on regularity of service.

With this brief introduction to the business models employed by locally-owned trucking companies on the Great Northern Peninsula in place, I will now briefly examine the structural conditions under which both these companies operate. Only then can the true impact of their capacity for resilience be fully appreciated. These are unenviable conditions under the best of circumstances; and for locally-owned trucking companies on the Great Northern Peninsula, deregulation does not represent the best of circumstances. As one trucking industry insider on the Great Northern Peninsula noted: "I am going to put this bluntly and to the point. There is only one way to make transportation on the Great Northern Peninsula more efficient and that is to put more people up there, which means more freight will move to service their needs."

Company A and Company B have been directly affected by the deregulation of the trucking sector in Canada. While the gradual process of introducing a policy of deregulation was discussed in detail in Chapter Five, the impacts of deregulation are presented here. In deregulated economies, profitability is the measuring rod of effective transportation policy, yet operating profitably is difficult on the Great Northern Peninsula. As one policy maker notes, this places regional companies in a difficult economic situation. The successful companies are the ones who have responded to industrial deregulation, including scaling back of dimensional regulations, in creative ways:

> Probably the biggest change came about in the late 1970s and early 1980s when weight regulations became harmonized, particularly in Atlantic Canada. The ability to carry greater weights in the trucks

> allowed the movement from smaller vehicles to more efficient size and weight in the vehicles. Trucks themselves have got a lot better. The downside is that Newfoundland has a low backhaul in the consumer goods industry. The trucks that haul fish and paper out are not necessarily the ones that are hauling televisions back in. In the past number of years, shippers have got much more creative in using that space. (NL Policy Maker, May, 2005)

Policy makers in Newfoundland and Labrador have actively endorsed the deregulation of the province's trucking sector, leaving the responsibility for a company's success or failure to individual owners and drivers:

> A long-term underlying problem is a lack of understanding within truckers and those wanting to become truckers to become professional businessmen, as opposed to the guy with a strong arm cracking the whip and holding the reins. (NL Policy Maker, May, 2005)

The expenses that were at one time shared by the state and trucking companies are increasingly becoming the sole responsibility of the companies themselves. A common sentiment amongst trucking company owners on the Great Northern Peninsula is that as a policy objective, economic development has been relegated to a secondary role; it has become a potential positive side-effect, but it is no longer a policy mandate. A policy maker in Newfoundland and Labrador seemed to recognize deficiencies in the contemporary policy agenda, yet could offer no concrete plans to improve the situation other than to ensure that individual drivers' risk taking behavior was limited:

> I personally feel that there needs to be, either in the Department of Business or within the Department of Industry, Trade, and Rural Development, an understanding that the trucking industry is as much an industry as fishing or forestry. One of those departments have to offer the sectoral supports that are appropriate. (NL Policy Maker, May, 2005)

The regulatory framework that supported both the growth of the trucking industry and the economic well-being of rural communities on the Great Northern Peninsula has

been hollowed out (Rhodes, 2005, p. 138). The (de)regulatory environment that has emerged has significantly lowered the state's willingness to maintain subsidized commodity transportation to the region. The extent of government intervention in the trucking industry is to regulate individual companies so that they maintain a safe and healthy workforce:

> An individual who is operating a vehicle safely is not likely thinking about how he is going to pay his mortgage or afford his next tank of fuel. Those are the stresses amongst drivers that cause them to take risks that jeopardize safety. For example they will drive longer hours than the national safety code prescribes, they will speed, they will carry greater weights, and these things have significant implications. I believe it is possible for government to establish the concept of the professional truck driver (NL policy maker, May, 2005).

Having to shoulder the increased operating costs associated with driver safety, however, has become a burden for the region's largest trucking company. As Company A's owner notes with regard to increasing payments for workers' compensation programs, which depend on the number of employees a company has:

> The way the government has structured workers comp. payments… us with 50 or 60 employees; we've been put into a different category. I will probably pay $160,000 in Workers' Comp. payments this year; whereas the little company up the road with four trucks and five or six employees will only pay a few thousand into Workers' Comp. They are my direct competition, those small companies.

In a deregulated trucking marketplace, trucking companies deal directly with provincial regulators. For Company A, this has meant greater expense and accountability. In contrast, from Company A's perspective, it has become easier for small enterprises, like Company B, operating on the margins of the capitalist system to escape many of the financial burdens with which Company A struggles. As Company A's owner sees it, the

growth in small trucking companies is problematic because they can often exist under the radar of regulators, while the medium sized companies with permanent infrastructure and a visible presence become the target of increased enforcement, and consequently experience increased operating expenses.

One example that supports this assertion is the local response to provincial enforcement of trucking regulations. As Company A's owner notes, small companies can escape enforcement action by simply obscuring their presence by removing their vehicles from the road temporarily. This action is not possible when companies get larger:

> Driving on the Northern Peninsula, there are no scales, only the odd inspector, so they pass the word around when the inspector is coming and they can afford to lay low for a while, and meanwhile my trucks are the ones being stopped and inspected.

The contradictory environment created by deregulation (one that simultaneously acknowledges the importance of trucking on the Great Northern Peninsula, while failing to institute the sort of policy framework that encourages growth in the region's trucking sector) has led both Company A and Company B to develop strategies that seek to maneuver around regulatory pitfalls by lowering operating costs whenever possible. The largest locally-owned company on the Great Northern Peninsula struggles to provide services in a region largely considered undesirable with little direct help from the provincial policy makers and in direct competition with much a smaller operation. Taking direct aim at Company B's lower costs of operation, Company A's owner noted:

> You know, we have a nice facility there [for repairs]. We have eight or nine bays, with 10 mechanics and we try to do everything ourselves to keep our trucks up to snuff… we're competing against guys, you know, up in [place name], lying on the ground underneath the truck themselves, trying to do a bit of work and then taking it to the local garage and getting a [safety] sticker put on it.

Poor road conditions also contribute to the high costs of operating on the Great Northern Peninsula. The lack of repair facilities means that even relatively minor repairs, such as a blown tire, can cause a significant delay to a driver unprepared for the situation. Companies must account for these potential expenses when pricing loads. Company B's owner noted:

> I'll give you an example, I got two new tires put on the truck yesterday, April 26, and I bought it June month of last year, and this is the fourth set of steer [front] tires. So the roads are a wreck. They really are. On a good truck that's running pretty good, you might get 100,000 miles on tires, and I'm getting 35,000 or 40,000. You know, those roads up around Parson's Pond, they're rough.

Company B's owner claims that he has also felt the effects of the hollowing out of support for the trucking industry in general. One fundamental difference after deregulation has been the way in which companies like those operating on the Great Northern Peninsula charge for loads. Regulated marketplaces traditionally controlled backhaul – the ability of companies to carry loads and make money on return trips. Pricing often reflected the possibility of not finding a backhaul; and, accordingly, the price of returning empty was passed on to consumers. In a deregulated marketplace, many trucking companies do not conceptualize any freight as backhauls. While this model works in busy trucking environments, on the Great Northern Peninsula a guaranteed backhaul is seldom possible. As Company B's owner noted:

> It used to be that a company hired a trucking company or a carrier to take a load from point A to point B. Typically, the trucking company charged for the cost of the service plus profit from point A to point B, back to point A again. With competitiveness and deregulation in the past 20 years or so, we've gotten into the business of moving from point A to point B for one client and then to get back to point A again we have to find another client.

Additionally, he notes that while fuel prices have soared, rates have remained largely stagnant for years, and attributes this growing gap directly to deregulation:

> What deregulation did was create a free-for-all in the trucking industry. Everybody who wants to can buy a truck and get into the business. It's left us competing for contracts. It's pretty cut throat on the Northern Peninsula. It certainly hasn't helped my bottom line any. We're getting about five per cent more than what we were getting 15 years ago…but fuel prices have gone from around 40 cents per litre to over 80 cents per litre. I paid $300,000 more for fuel last year than the year before that, but my rates didn't change.

Out-migration, little industrial growth, low commercial development, and even poor road construction and maintenance have been reflected in policy decisions that have left locally-owned trucking companies on the Great Northern Peninsula on the edge of financial collapse. Company A and Company B exist alongside one another primarily because they get the job done in differing ways. They end up operating alongside one another, but not in direct competition. Rather, they function in a delicate balance with policy and with one another. Both companies are aware of the unique role they play in the locally-owned trucking sector on the Great Northern Peninsula, one which is shaped by both marginalization and deregulation. Their responses to these conditions – their resilience within dependency – are presented below.

6.2 Company A's Capacity for Resilience

Company A has been a dominant player in Great Northern Peninsula transportation for decades, originating with not much more than current half-ton trucks and continuing through to the modern tractor-trailer units that are in place today. It caters to the diverse needs of a region where everything moves by truck. Loads often reflect this diversity.

Company A's workforce is entirely wage labour. While it operates throughout the province of Newfoundland and Labrador, employing over 60 people at peak times, the Great Northern Peninsula is where the company began. Company A employs between 10 and 12 full-time drivers on the Great Northern Peninsula, although not all of these drivers work daily. At any time during the year, a varying number of these drivers are working in support of the company's broader operations, including moving empty trailers around the region in anticipation of customer demand and material at the company's warehouse facilities. Company A generally services the Great Northern Peninsula on a daily basis, although the schedule depends on freight volume. Company A is a distributor for many LTL companies from outside the region who have chosen to avoid doing business directly in the region due to lack of freight volume. As Company A's owner noted:

> We carry a lot of building supplies. So, maybe a skid of plywood and a bunch of 2x8s because somebody is building a shed or a fisher is getting the fishing shanty ready. So maybe a few windows and rolls of felt paper. Then, mixed in with that you might get a couple skids of fruits and vegetables… Hardware, toothpaste, any dry goods that goes either to stores or things that people order for themselves… Might be a couple quads or a snowmobile.

Company A has gradually become the sole regional distributor for several mainland trucking companies. Company A creatively takes advantage of unpredictable freight volumes by acting as a temporary holding point for smaller loads coming on or off the Peninsula while allowing it to effectively coordinate much of the logistical requirements of transporting full trailer loads of perishable frozen fish to markets throughout North America without having its own vehicles leave the province. In many cases, this involves Company A using its own trucks and trailers on the Great Northern Peninsula to move freight to and from its warehouse in Corner Brook and then using its

own trucks and other companies' trailers to move products between its warehouse and the Marine Atlantic Terminal in Channel-Port aux Basques. Loaded trailers from other companies are moved onto and off the ferry accordingly. When the products coming to Newfoundland and Labrador arrive in Corner Brook, they are reloaded onto Company A's trailers, leaving empty trailers from other companies waiting to be loaded with fisheries products from the Great Northern Peninsula destined to markets throughout North America. Company A maximizes its LTL business by transporting only full trailer loads whenever possible. Flexibility in staffing and in delivery schedule, tailored to meet the unpredictable demands of the Great Northern Peninsula, ensure that Company A's operations stand out from the industry standard outside of the region.

Company A's owner noted that his type of operations are no longer common in the trucking industry as a whole, where company drivers are being replaced by owner-operators and freight delivery schedules are standardized. Owner-operators generally offer contingent labour force flexibility to large trucking companies. On the Great Northern Peninsula, by contrast, securing the services of owner-operators on a continual basis is limited by the lack of freight volume regionally. Responding to this, Company A's owner sees it as more lucrative in the long run to hire wage labour drivers for a part of the year, with cyclical layoffs, than to rely on owner-operators who often require full-time, full-year employment to meet business expenses and, owing to this, would be continually pressured to leave the region. Company A shoulders the financial burden of annual down time:

> Most of the big players are all owner-operators now. We've considered it a few times but the main reason we don't is because we basically have a six to eight month work window. We take a lot

> of our equipment and park it for four months of the year when the freight is down. We get about 50 per cent backhaul, so about one in every two trucks. We consistently run empty in the winter months.

Company A has significant investment in equipment. It's wide-reaching and sophisticated logistical network carries a significant volume of the freight destined for the Great Northern Peninsula. The success of this system is rooted in its capacity to adapt to the cyclical nature of industrial output on the Great Northern Peninsula. Company A's owner clearly explains the centrality of flexibility for his operations:

> We have about 45 power units and about 250 trailers that we leave around at fish plants, but out of those 250 trailers, 125 or 150 may be out of service – parked – for 6 to 8 months of the year because there is no demand…The fishery winds down in October and November; and then we get a Christmas rush, but that ends in January. Then we'll lay off 10 to 15 drivers, park 10 to 15 trucks and 100 to 150 trailers.

While many pieces of equipment are not suitable for long haul or high-speed transportation off the island, they are well-suited to the lower speeds and poor road conditions on the Great Northern Peninsula. Company A strategically purchases surplus equipment to augment total freight handling capacity during peak times of the year. To lower operating costs, Company A owns and operates a large fully-equipped service facility and repairs all vehicles on site, including everything from routine maintenance to body work and complete overhauls. This facility also refurbishes older equipment routinely purchased cheaply at off-island auctions and from other companies. Company A's owner commented that having less capital tied up in new, expensive equipment has lessened the burden of expenses and allows the company to strategically use (or stop using) equipment in a way that reflects the unpredictable freight handling demands of the Great Northern Peninsula's fisheries industry:

> That's one of the things we've grown into over the past 35 years. We own lots of equipment that we can park and use when we need it. Now, we can't buy new equipment because the money's just not there to park 10 brand new tractors. We go to auctions and buy stuff that is depreciated. We bring them home and get them checked over from stem to stern.

For Company A, the most important source of freight leaving the Great Northern Peninsula is fish products. Company A transports the majority of the frozen fish processed regionally off the Peninsula. It has substantially augmented its warehousing capabilities in large part to secure its role in the lucrative frozen fish market. To further solidify its near monopoly on frozen fish transportation of the Great Northern Peninsula, a portion of Company A's ready supply of surplus trailers is routinely left waiting for a load in strategic locations throughout the Peninsula. This ensures that when fish plants are ready to load, Company A has trailers on site or nearby. In the time it takes to fill a trailer, a truck and driver can be dispatched from Corner Brook in time to pick up the newly-loaded trailer and haul it back to Corner Brook.

Company A's owner attributes the effectiveness of this complex logistics process, which requires considerable cooperation by several players, to the reputation that the company has built for itself and the willingness of shippers on the Great Northern Peninsula to engage in unorthodox methods to move their products to markets quickly and cheaply. As Company A's owner notes:

> We've carved a little niche for ourselves here, with hands-on personal service. People like being able to call and talk to somebody and know that the load is taken care of. Sometimes it's more expensive, because we keep trailers sitting around waiting to be loaded, but you get the experience and the quality of service.

Company A operates exclusively in the province of Newfoundland and Labrador but has established itself as an interlining[24] expert. Trailers destined for out-of-province locations are maintained at the expense of Company A's interlining partners, yet Company A manipulates delivery schedules in favour of its own customers on the Great Northern Peninsula. Company A effectively offers door-to-door pricing for its customers without having any of its equipment leave the province of Newfoundland and Labrador. During peak times for the fishery this creates very intense working conditions. The drivers' dedication and fish plant operators' cooperation are crucial in this process, and both, according to Company A's owner, have been secured by placing the best interests of communities on the Great Northern Peninsula first. As Company A's owner describes the situation:

> We get a burst of activity in the summer months. It can be pretty hellish here, when you're in the office seven days a week, 14 hours a day. There are hundreds of loads leaving the island. It's a burst of activity for about 90 days. It's the logistics side of it that is complicated, between the driver calling three or four times and wanting to know which trailer to take, and the fish plant trying to coordinate its workers to be there when you need them… the logistics company calling to ask what the ferry schedule is like and when the load will be handed off to the next guy.

Company A's success is based on the following operating principles. First, it builds its own costs into the delivery price for the first part of the trip and protects the prices of the other companies when quoting delivery costs to anywhere in North America. Second, in order to buffer itself against unpredictable fisheries volume, it has developed a model that allows for rapid expansion and contraction of its operations – the flexibility to meet the unpredictability of resource extraction on the Great Northern Peninsula. The

[24] Interline freight is cargo that moves between different transportation companies on its journey from origin to destination.

flexibility within Company A's operations is a direct result of its decision to tailor its services to the unpredictable needs of customers on the Great Northern Peninsula. While this is not an efficient system when compared to the advancements made by trucking companies outside the region, it works incredibly efficiently regionally. As Company A's owner notes:

> Trucking doesn't work in Newfoundland the way it does in Moncton or Toronto. Trucks don't run 24 hours a day. You can't double or triple shift and keep drivers going around the clock and make a good living. If you are bidding on contract and get stuck in a snow bank for a day and you're supposed to be back at the ferry to pick another trailer up, or are trying to run 3,000 or 3,500 miles a week, it won't work. I have some trucks on the Northern Peninsula that run 1,200 miles a week. You can't make money on the mainland on 1,200 miles a week.

In return for this commitment, Company A has secured the long term support of many of the region's key shippers. Company A's owner describes the breadth of his control on the Great Northern Peninsula in the following way:

> [Company B] and us are the only companies doing business on the Northern Peninsula. Midland drops it off to me, Armour drops it off to me, Clarks drops it off to me. We do Oceanex and Maritime-Ontario… Everything from toothpaste to dynamite.

Trucking is a capital intensive industry. New highway tractors may cost $120,000, and new refrigerated trailers can sell for as much as $50,000.[25] With those expenses, companies heavily invested in new equipment have to operate as efficiently as possible. As has already been demonstrated, the scale of operations required to justify such capital expenditures is seldom if ever achieved on the Great Northern Peninsula. By purchasing used equipment and repairing it on site, Company A is freed from having to operate in the

[25] Retrieved from http://www.thetruckersreport.com/facts-about-trucks/

competitive Maritime Provinces trucking industry or service debt on new equipment that is unused for months at a time. Instead, Company A uses this time to refurbish older equipment and prepare for the next rush, keeping many drivers on the payroll in capacities related to truck driving.

An important informal network which Company A has fostered for several decades amounts to a network of ad hoc repair facilities. There are no public repair facilities on the Great Northern Peninsula, and towing a truck and trailer to the Company's facility in Corner Brook would be an expensive last resort. On the Great Northern Peninsula, certain pieces, such as tires, springs and lights, for example, need frequent replacement and are prone to premature failure because of the poor condition of the highway. To help reduce the high costs associated with towing vehicles back to the repair facility in Corner Brook, Company A, has over the course of decades, innovated a supply system where replacement parts are left in strategic locations, including customers' homes and places of business along the peninsula. This allows drivers with trucks in need of minor repairs simply to contact the closest ad hoc facility and request that parts are delivered and/or replaced as necessary. Strategy and local knowledge are crucial to the maintenance of this informal system. Former employees and long term users of Company A's services are generally involved in this process. As Company A's owner describes it:

> The Northern Peninsula is an incredibly difficult place. If you lose a tire tomorrow in Daniel's Harbour you should have one somewhere at a little shop. We've got a little network after all these years of small shops and people we rely on. There is a small shop in St. Anthony where we keep a trailer with a few tires and tail lights and stuff like that. We have enough trucks moving up the peninsula that if somebody breaks down half way up, we can send a spring up to them. You have to be

> networked to keep yourself moving up there... most of the parts being ordered would be delivered by us anyway; so if we can't make it, the part isn't showing up.

As long as repairs made on the road can get the truck, driver, and trailer safely back to the warehouse in Corner Brook, the excessive costs of towing and lost time associated with mechanical failure are averted. Company A has adapted its business practices to fit the needs of the region while fulfilling its own needs to remain profitable. For Company A, operating on the Great Northern Peninsula is sometimes a business endeavor and sometimes an art form. It is, however, always an act of resilience.

Company A's capacity for resilience is also noticeable when Company A's strategies for dealing with factors beyond its control are examined. The unpredictable nature of the fisheries is not the only seasonal problem that Company A has had to learn to deal with. Unforgiving climate and difficult geographic terrain are constant worries for any truck driver operating on the Peninsula. As Company A's owner explained:

> The Northern Peninsula is a hell of a spot in the middle of February in a blizzard… if the winds hit you the right way you're going bottoms up unless you can get in behind something. We have lost trucks in the Northern Peninsula even though we haven't lost any on the Wreckhouse.[26] We've had 8 or 10 trucks blow over on the Northern Peninsula over the course of the years.

Loaded trailers are potentially at risk during severe storms on the Great Northern Peninsula. Historical accounts discuss loaded trains being blown off the tracks in some parts of the Island. Partially loaded or empty trailers are at risk of literally being blown off the road in the kinds of wind conditions that are quite common on the Great Northern Peninsula during the winter months.

[26]The *Wreckhouse* is an area in southwestern Newfoundland and Labrador known for its extremely high winds.

> You know you used to hear about trucks blowing off the highway in the Wreckhouse, but now here around St. John's Bay it's the same thing. If the winds are bad in the Wreckhouse, you'll go legs up here, too. We've had trucks blow over around Bonne Bay.

Company A's owner expressed considerable pride in 'knowing Newfoundland'. That is, in knowing what works on the Great Northern Peninsula, and, just as importantly, knowing what might work elsewhere but is not likely to work in the region. From practicalities such as knowing which communities have buildings high enough to shelter trucks in a windstorm to having the experience to realize that it takes more than a map to efficiently bid and schedule loads on the Great Northern Peninsula, Company A's depth of local knowledge is essential to its success. Company A's owner acknowledges the important role played by informal knowledge – knowledge neither needed nor available for successful operations outside the region.

Difficulties posed by geography and climate are exacerbated by the fact that the Great Northern Peninsula highway is not built to national highway standards. Commonplace delays significantly reduce the ability of trucking companies to accurately calculate delivery times. Local businesses must deal with the perceived unnecessarily high costs associated with doing business on the Great Northern Peninsula:

> I get calls from people who say that my prices are expensive. You know in Toronto the roads are better, you don't get the snowstorms like we do. You don't have the windstorms blowing you over. I tell everybody, we're living on an island. Everything that's here has got to come on the water and that in and of itself can be detrimental. We may not be a Caribbean island, but we are an island.

Attempting to coordinate freight movement between the Great Northern Peninsula and the mainland is challenging for Company A. When trucks have time-sensitive cargo,

preset pickup and delivery schedules, or ferry connections, a small delay is a potentially costly mistake:

> If we're bidding a load from St. Anthony to Toronto, we'll say that under normal conditions it would be 5 to 7 days, but if you run into a storm in the Wreckhouse or problems with the ferry it might be longer. We know not to set a guaranteed time until the trailer is off the ferry in North Sydney. We don't promise anybody anything. It would be foolhardy to do so when so many things can go wrong

Company A's owner explained clearly how his depth of knowledge of everything from weather patterns to knowing who owns a garage large enough to store commercial truck tires is of crucial importance. For Company A, all of this knowledge is distilled into appropriate pricing strategies:

> It's all in the pricing. You have to know how to price if you're going to do business in Newfoundland. If you are from Quebec or Ontario and lowball the price by $300 and get the load to Newfoundland and then assume that you will get a load of fish coming out or a load of newsprint, it may not work. We see a lot of companies going belly up. A lot of companies don't know the geography… I get companies who complain when I quote them something into St. Anthony. They look at a map and say 'well, it's only 300 miles into St. Anthony' and I say 'well, it's 600 miles return and it might take me 4 days to do it. In Toronto you don't have snowstorms, the bad roads, or windstorms blowing you off the road.

Competitive pricing ensures that there is always freight being manipulated at Company A's warehouse facility. While trailers are waiting at Company A's facility, freight is redistributed to maximize efficiency and profitability. Trailers are loaded, unloaded, and reloaded as necessary. As the bulk of the freight handled by Company A is classified as less-than-truckload, there is ample opportunity to combine loads for different customers that arrived in Newfoundland and Labrador by different carriers destined for the same location, or some location along the trip.

Company A's proximity to the ferry terminal in Channel-Port aux Basques also ensures efficient coordination between its freight movements and Marine Atlantic's schedule, although ferry service offers a considerable challenge to its operations. Company A's owner noted, with some frustration:

> It can be very difficult dealing with the ferry. Our dispatchers have been trained to leave freight here in Corner Brook until the ferry is running. We'll feed fuel to the reefer and then when the storm passes we'll shoot everything down to the ferry and pick up all the trailers that are coming off the boat as well. It can be difficult for brokers coming from the mainland to have to sit in North Sydney for two days waiting for the ferry and then get off here and battle slippery road conditions for 2 or 3 days all the way to St. John's only to get back here and find that the ferry might be late again.

Company A makes extensive use of the drop-trailer operations described in Chapter Five that are offered by Marine Atlantic in Channel-Port aux Basques. This system coordinates trailers destined for Newfoundland and Labrador being picked up and hauled to Company A's warehouse in Corner Brook, awaiting further distribution to the Great Northern Peninsula or onwards to Central and Eastern Newfoundland and Labrador. The impact of weather as a delaying factor in scheduled ferry crossings is minimized, as Company A will simply not send drivers to meet a ferry that has been cancelled or delayed. The decision, ultimately, to send drivers to the ferry is made not only on the basis of formal delays announced by Marine Atlantic, but also on decades of knowledge of regional weather patterns and operating procedures by the ferry operator. Miscalculations in this process amount to a costly inconvenience for trucking companies and poor working conditions for individual truck drivers who are forced to drive in dangerous weather conditions to meet a ferry that is not coming. Company A's owner expanded on these difficulties:

> We may load frozen cargo in an Armour trailer here in Corner Brook and then Armour may ask me to take it to Port Aux Basques. We have 15 to 18 trucks going daily between the ferry and here. We are only 3 hours from the ferry so we can work according to the ferry schedule. We train our dispatchers to hold trucks away from the ferry if nothing is moving. We will sit the load of fish here [in their facility] for 2 days if we have to and just keep feeding fuel into the reefer and only send it to the ferry once it starts moving again.

Company A has creatively transformed a wide range of issues threatening its viability into sources that have increased its resilience. It has responded to poor roads and unpredictable weather, to low freight volumes and troublesome ferry links to the mainland by piecing together a unique business model that works for the Great Northern Peninsula. While Company A's strategies are incredibly creative and representative of the spirit of resilience on the Great Northern Peninsula, its counterpart Company B has also developed strategies of resilience which need to be explored further. Only after both strategies have been examined can the existence of resilient enterprises in dependent regions be fully summarized.

6.3 Company B's Capacity for Resilience

Company B's owner, a long time truck driver and construction worker who has at varying times made a living both on and off the Great Northern Peninsula, introduced himself and his business as follows:

> I got into the trucking industry 29 years ago, but I bought my first truck in 1986. I bought a truck to haul fish, but I got caught up in the moratorium. I just kept going and going and going until I was able to get the truck paid off and then I started with this company. They were looking for owner-operators to cut down on the number of company men.

Company B is the second major player in trucking on the Great Northern Peninsula. Company B is a small business. Company B's owner is an owner-operator who owns and operates three trucks, all of which are leased to the same large, off-island carrier. Company B provides service only to the Great Northern Peninsula, and all of the freight that Company B hauls arrives in Corner Brook from the extensive customer network maintained by the company to which Company B's trucks are leased. With this arrangement, Company B hauls enough freight to operate two daily round trips to all points on the Great Northern Peninsula. Company B employs two full time drivers who drive the length of the Great Northern Peninsula. Whereas Company A maximizes freight volume prior to heading onto the peninsula, Company B's schedule was much more predictable. Company B's owner describes a typical delivery schedule for his drivers here: "The guys going to Corner Brook at night will sleep for the night in the truck in Corner Brook but everybody is home on Friday afternoon and everybody goes to work on Sunday afternoon."

Company B has experienced considerable growth in the past decade. The owner sometimes fears that the level of growth has outpaced the long term needs of the Great Northern Peninsula, where population decline and economic downturn are ever present realities. He feels considerable pressure to maintain personal connections throughout the Great Northern Peninsula in order to secure enough freight to keep the business profitable even in times of economic stagnation. He displays his anxiety in the following quote:

> I started this job 10 years ago, and I left Corner Brook and would drive to St. Anthony and come back every day. Within four years, I was hauling 100,000 pounds of freight a week myself with one truck and it just got out of hand. That's when the company came to me and said

> they wanted to put another truck on… You know there's a limited amount of freight and if [Company A] loses a contract, [Company B] picks it up. I'm on a fixed income and when freight drops we have the same expenses.

Company B coordinates all the freight from the larger company its trucks are leased to onto the Great Northern Peninsula from any point in North America, although like Company A, Company B's trucks do not leave Newfoundland and Labrador. Most of Company B's freight arrives at the company warehouse in Corner Brook via Marine Atlantic in Channel-Port aux Basques. The rest comes via warehouse facilities in St. John's. When asked what Company B hauls, its owner noted that:

> [We haul] general freight, everything, pampers, chicken… in the summer time we haul shrimp back. There's not a lot, but a bit of hardwood from Hawkes Bay. It goes right in the back of the van. If somebody wants to send something like a set of blades back to St. John's to get them rebuilt, we haul it. There's not a lot going back, that's our biggest problem. We supply a good freight service to this coast; it's phenomenal compared to other places. We have a customer in Norris Point, and we have three trucks a day that goes by their door.

Company B and Company A move comparable levels of freight on the Great Northern Peninsula. The frequency of Company B's freight delivery to the peninsula, however, is higher than Company A. Company B competes only indirectly with Company A for loads on the peninsula, and in many instances these loads are directly solicited by Company B's owner himself, noting that: "I usually go in and promote myself. I go in and say I'm working for Company B and I give pretty good service." Off the Peninsula, Company B's parent company operates a series of terminals and moves freight between them to maximize hauling capacity. This arrangement is referred to as a line-haul operation. Company B's owner summed up the operations of the parent company as follows:

> They have a system with a bunch of terminals and stuff moves from one terminal to the next. Most of our freight comes from St. John's. We haul from Vancouver straight through but most of it comes from St. John's. At the Christmas party this year they told us they were the only company in Canada that does LTL right from coast to coast.

Despite this outward competition, however, the owners of both Company A and Company B indicated that when regular customers are considering who to ship with, the choice is often based on longstanding relationships each company has forged with its regular customers.

6.4 Intercompany Relationships

Company A's 'load and go' model finds its strength in its ability to maximize loads and keep costs low by responding very quickly to customer needs on the Great Northern Peninsula. Unlike Company A's schedule which is *volume* driven, Company B's schedule is *schedule* driven. It is the regularity of service which keeps Company B competitive. As in all LTL operations, load maximization is one key to success. This is a crucial difference in the operating practices between Company A and Company B and is likely at the core of each company's ability to co-exist and remain profitable within the Great Northern Peninsula. It allows both companies to respond to the unpredictable freight volume in the region. Company A has the infrastructure to hold freight within its facilities to ensure that loads are maximized – which works well for larger commercial shipments leaving the island because it allows costs to be minimized by sending only full trailers to the ferry. Company B is able to respond to the smaller customers who may need only sporadic, but perhaps quicker access to trucking services – sending a boat motor for repair, or awaiting delivery of personal goods ordered on line, for example.

For Company B, as with Company A, the process of moving freight begins in Corner Brook. Company B's trucks leaving Corner Brook in the morning will normally return to the warehouse that evening, delivering goods on the trip north, and picking goods up on the return trip south. Pickup and delivery can be arranged at any point between the two limits, and if space is unavailable on one truck, it will be available on the next the following day. Much of this freight is small in size and low in value, but crucial to the well-being of customers on the Great Northern Peninsula. Company B's owner offered the following description when asked what a typical load onto the Great Northern Peninsula might look like for one of his truck drivers:

> We haul a lot of stuff for the drug store, toilet paper and stuff, but then you get here to the Co-op in Flowers Cove and you might have 25 boxes of Country Ribbon fried chicken. So you throw that off, and then you have to go up the road and there'll be two cases of bread to go off.

When asked about the regularity of service offered despite low freight volumes and low priced consumer goods, Company B's driver responded optimistically, noting that the solid customer base he has managed to maintain has allowed delivery service on the Great Northern Peninsula similar to that achieved elsewhere:

> People in Rocky Harbour have a great service. Ninety per cent of the time, stuff dropped off in St. John's before closing at the terminal will be in Rocky Harbour before noon the next day. Other places on the Peninsula will get it later in the day.

As experienced by Company A, for Company B most freight moved off or on the truck during the course of a daily delivery schedule is moved, in part, by the truck drivers themselves:

> Everything we haul we take off by ourselves. We don't put that much on because there's not much going down, but everything we take off is

> 'fingerprinted.'[27] We have to get it off, whether you have to find three or four guys to lift off a set of blades for a boat or you go next door and bum a guy's forklift to get it off.

Company B operates solely between Corner Brook and St. Anthony. Its owner sees this as a considerable benefit to his hired drivers who are able to enjoy some of the benefits of regular scheduled trips and are home most evenings.:

> My guys are doing well. There are guys [outside of the Great Northern Peninsula] that are on the road for 12 days at a time before getting home for a long weekend. My guys have a shower at the terminal and a fridge and stove. They treat us good that way.

Company B does not leave Newfoundland and Labrador, and, unlike Company A, Company B has no direct interaction with the ferry service in Channel-Port aux Basques. Company B's parent company subsidizes its fuel, licensing, and a portion of its loads. However, Company B's broker on the peninsula is responsible for the mechanical upkeep of his equipment, which he does himself in a small, private repair facility on his property, and relies on services outside of the peninsula for most major repairs and maintenance as there are no commercial facilities on the peninsula itself:

> There are a few small places in and around the Hawkes Bay area, but they are almost all serving a few of their own customers. I have my own garage and I try to make do as best I can. I buy the trucks in Grand Falls, but my major repairs are done in Corner Brook. I buy my fuel in Deer Lake. [Company B's parent company] buys all of its fuel from Irving. Money talks.

Company B has considerably less capacity for repair and maintenance than the large, modern, repair facilities operated by Company A. Company B's owner lives on the peninsula itself and so he is never far from home and supplies. Taking a truck to the

[27] *Fingerprinting* refers to individual boxes and pallets being removed by hand (often by the truck driver) at individual customers' locations, including homes, workshops, convenience stores, etc.

dealer in Grand Falls, which means a considerable delay, occurs only in cases of emergency repairs. There is obviously an incentive to operate as efficiently as possible. For Company B's owner, this has meant using new, reliable (yet more expensive) equipment as opposed to used, easily-repaired (and initially cheaper) equipment, as is favoured by Company A. Company B's owner explains the additional expenses as follows:

> You know, I have a pretty good business here that isn't worth a thing to me. I've got four or five year old trucks worth about $40,000 that I get $19,000 on a trade, but what good is a truck for sitting in the yard. Five years old with 800,000 kilometres. So you either deal with the repairs and deal with the down time or deal with the payments on a new one. You know I bought a used truck first and it is amazing the number of things that can go wrong on a truck. You know that's the thing with trucks. We've got nothing once they are worn out.

Company B's owner is acutely aware of the fact that ultimately, the success of his business is based on the fisheries sector on the peninsula. While Company B moves general freight all year round, the boost provided by the fishery is crucial. If the fisheries are limited, or fail to produce as expected, profitability and freight volume will decrease suddenly. Company B's owner discussed specifically the economic importance of hauling shrimp from St. Anthony on the northern tip of the Great Northern Peninsula:

> When shrimp gets up and running again, we'll basically haul three or four loads a week to Corner Brook… There was supposed to be a fish plant in St. Anthony with a lot of factory freezer trawlers coming in and that would have made a big difference, but it doesn't seem to be getting off the ground all that easily.

Company B relies on the fisheries sector for backhaul traffic (loads coming off the Great Northern Peninsula). While Company B's broker is paid for both loaded and empty miles, whether a year is considered 'good' or 'bad,' and whether purchases are put off for

another year or not is largely determined by the fisheries sector. Company B's owner is confident that the security offered by his formal relationship with the larger parent company will, ultimately, allow him to secure enough freight to continue operations all year long. The cyclical nature of freight onto the Great Northern Peninsula impacts his ability to remain profitable and underscores the necessity of the shrimp fishery for his overall well-being:

> It's been a slow start but we did get our boom a couple of weeks ago because the fishing industry hadn't started yet, so we were bringing supplies for the fishing industry. You get it right before Christmas too, but it's hard to nail down. Every year it almost comes at a different time. When the plants are open it's good. The economy starts to move, people buy more, but all of a sudden something goes wrong, say in the fishing industry, and its starts to slow right down.

Another key for Company B's profitability is the importance of a 'personal touch.' Successful trucking on the Great Northern Peninsula requires that truck drivers often play a much more active role in the delivery of goods than simply driving the truck and waiting to be unloaded. Company B's owner compares much of the work his drivers do with the standard operating practices found outside of the Great Northern Peninsula in the following way:

> You know, you go into a big industrial park and back the truck up and a forklift puts things on the truck for you, but you come up to the Northern Peninsula and you have to make a delivery in the drug store. So you show up and open the backdoor and there's two ladies there to help you and you have two skids of liquor – 150 cases of liquor – because they got the liquor store in the drug store and you have to take it all off by hand… You know, you open the doors and you have 50 feet of trailer that's all got to come off by hand.

Company B's owner maintains that this sort of personalized service is unique to, yet expected by, customers of locally-owned trucking companies on the Great Northern

Peninsula. In fact, Company B's owner notes that personalized service requires the cooperation of his drivers and the people they ship to. Underlying this sort of cooperation are years of cooperation and a broader regional culture of self-help and acceptance of the unorthodox way things often have to be done on the Great Northern Peninsula. One example relayed by Company B's owner involves late night bread delivery:

> A guy up here has got a contract for bread from Weston's Bakery in St. John's. So he's got a five-ton truck in his driveway and we just pull up and put the bread in the truck and close the door. I don't even know if he's got a lock on it or not… If I've run into bad weather and am going to be late, I will just call ahead and tell the boys and they will come and unload me when I get there.

The maintenance of cooperative relationships and the willingness of the company drivers to go above and beyond simply delivering freight substantially influences the long-term success of locally-owned companies like Company B. Often, customers' choice to hire Company B to move products off the Great Northern Peninsula is determined as much by tradition and personal relationship as by price or quality of service. As one of Company B's long term customers noted: "Everybody knows everybody and everybody helps everybody. I think that's what makes it all happen. You'd never get your freight off if it wasn't for that."

Company B has managed, despite considerably different operating practices, to maintain a high quality of service delivery on the Great Northern Peninsula. Regularity of service, extensive customer base, and the financial backing of a major international trucking company are central to Company B's success. Ultimately for Company B, finding the delicate balance with Company A has not been about direct competition but rather has been influenced by direct customer service and relying on customers who are

willing to help whenever they can. Company B's owner expresses this sentiment by providing an example where a customer steps in to ensure that other deliveries are made on time:

> You know we're doing an LTL run, so we have to keep our speed up, because, for example, this store down here closes at 5 p.m. So we have to get it there before they close or we have to wait here till tomorrow to get it off, which means it's not next day service, it's the day after. But we've got some pretty good people here, so my son is going south tonight, and we've got a customer who builds pumps and he'll show up at 9 p.m. to unload the truck; so it's a good bunch of people. We know everybody between here and Rocky Harbour and that helps a lot.

6.5 Other Trucking on the Great Northern Peninsula

Apart from Company A and Company B, a small number of family-owned independent trucking firms also operate on the Great Northern Peninsula. Of these, the two most significant are based in the Port aux Choix region. They generally work with local fish processors, hauling fresh fish locally, but have diversified into several other trucking-related businesses including the transportation of construction and forestry equipment as well as hauling gravel and other aggregate material in support of local businesses. Another key element of these companies' business is the delivery of home heating fuel during the winter months. Very little of the work these companies do involves regularly trucking products off the Great Northern Peninsula. An executive of the Newfoundland and Labrador Independent Truckers Association (NLITA) notes:

> Not many trucks up here at all. In the Port aux Choix area there is one guy that's got 11 or 12 trucks, and he's into hauling wood and everything in the summer, but he sends three out to Alberta for a while each winter. They were in the fishing industry some of the time and they lost it all in the moratorium.

There are several likely reasons why the company discussed in the previous quote, despite its substantial investment in equipment, is not in direct competition with either Company A or Company B. There is a fundamental difference between the ways in which other firms operate and the ways in which Company A and Company B situate themselves in the limited locally-owned marketplace. Both the major players on the Great Northern Peninsula are firmly rooted in the for-hire sector of the trucking industry. That is, their only business is trucking. The other local players have come into the trucking industry opportunistically and as part of a broader system of occupational pluralism. Trucks are required to deliver fuel, haul gravel, and transport excavation equipment. In each case, however, these companies are only tangentially involved in for-hire trucking as a large portion of their business in the trucking sector is directly supportive of other business ventures. These firms could potentially compete with the two major players, but without access to freight in the LTL sector originating off the Great Northern Peninsula it would be very difficult for them to operate in a sustainable fashion. These small companies would be required to solicit customers directly off the Great Northern Peninsula – thus competing with the services and traditional relationships offered by Company A and Company B.

There are also independent truck drivers living on the Great Northern Peninsula. Generally, however, these drivers are contractually tied to companies that operate in other parts of the province, extra-provincially, or even internationally. Their role in the region's trucking sector is minimal with only the occasional load going to the Peninsula, almost always in the TL sector, and generally secured primarily to 'pay their way home' – to

secure a load at below market prices to avoid deadheading.[28] An executive member of NLITA expressed doubt as to whether these isolated events would have any impact on either Company A or Company B.

The largest employer of truck drivers on the Great Northern Peninsula is Corner Brook Pulp and Paper. It contracts around 40 owner operators, some living on the Great Northern Peninsula and others in the vicinity of Corner Brook, to haul pulpwood from the Company's woodlots on the Great Northern Peninsula to the mill in Corner Brook. The director of woodlot management for Corner Brook Pulp and Paper noted that many of these drivers haul pulpwood only and often do so as part of a system of occupational pluralism which is common on the Great Northern Peninsula, where several seasonal jobs are combined to make a living. As well, the need for specialized equipment for hauling pulpwood for Corner Brook Pulp and Paper practically eliminates the possibility of attaining any freight other than pulpwood for most of these drivers.

Additional truck drivers operate on contracts with small forestry companies. Most of these operations service only Corner Brook Pulp and Paper by moving lumber from Crown lands. These trucks offer a dedicated service to the mill, and there are relatively few (approximately 15) drivers operating for the mill in a full year, full-time capacity. Some travel to Central and Western Canada to work for at least part of the year; others opt for trips between Corner Brook and Central or Eastern Newfoundland. The majority, given the configuration of their vehicles – heavy duty suspension parts, the absence of a sleeper, and specialized logging trailers – are unsuited for long haul driving, effectively limiting their competition with the two main carriers in the region.

[28] Operating a truck without cargo. Retrieved from http://www.twna.org/trucking_terms.htm,

A third trucking sub-sector on the Great Northern Peninsula is the truckload (TL) sector. As discussed earlier, TL trucking firms carry only full trailer loads, usually of commercial commodities consumed by industry as opposed to typical smaller, often residential, customers on the Great Northern Peninsula. These TL loads are normally delivered by owner-operators from companies outside the region, hired specifically by customers to bring these goods to the region. These single-load contracts are often arranged directly between shipper and consumer or handled by outside logistics firms. One regional user of truck-load services is Eastwood Forest Products, Ltd, in Cormack, at the southern end of the Great Northern Peninsula near Deer Lake. Eastwood manufactures dimensional lumber that is sold to buyers throughout North America. When interviewed, an executive in charge of shipping noted that Eastwood does not coordinate the transportation of its lumber. Rather, customers arrange the transportation of purchased lumber to their destinations. Ideally, most of the lumber leaving Eastwood would constitute a backhaul load given to a TL owner-operator destined off island. Much of this movement is managed by Newfoundland companies from outside the Great Northern Peninsula that specialize in flatbed services and for which this is a relatively minor part of their business. In an interview, a TL carrier based in St. John's with occasional work on the Great Northern Peninsula (there are no dedicated TL carriers based on the Great Northern Peninsula), describes the infrequency of business for his sector on the Great Northern Peninsula:

> The logging industry is pretty substantial on the Northern Peninsula. There is a fishing industry as well that has to be serviced by trucking, but other than that it's local consumer items. We, for example, do the island distribution for a building supply wholesaler from Deer Lake. We put out 700 loads a year from the warehouse to the island as a whole,

> and I can count on one hand the amount of stuff that goes to the Northern Peninsula.

In an interview, the Manager of the Daniels Harbour Fish Hatchery noted that their only involvement with the LTL companies servicing the Great Northern Peninsula is to bring fish food to the hatchery. Materials needed for expansions to the hatchery's infrastructure were carried by out-of-region TL carriers. Similarly, the fish hatchery, which routinely ships salmon smolt to the company's facilities in other locations in Newfoundland and Nova Scotia, transports its live salmon with specialized tanker trucks owned by the company itself. For obvious reasons, these trucks pose no competitive threat to either Company A or Company B as neither has the equipment to haul the live salmon.

6.6 Resilience: Trucking on the Great Northern Peninsula

So far, this chapter has examined a wide array of trucking operations on the Great Northern Peninsula. Many of these operations are isolated from the trends and pressures within the broader regional or national trucking industry. The vast majority of the Great Northern Peninsula's LTL freight, however, and certainly the majority of the goods consumed and shipped by the region's population, are handled by either Company A or Company B. Both these companies operate in partial isolation from, yet are economically integrated with, the trucking sector outside of the region. Their success reflects their capacity to work productively in an economic, cultural, and geographic environment that places severe constraints on their long term success.

This section will interpret Company A and Company B's business practices through the theoretical lens of resilient enterprises within dependent region as outlined in Chapter Three. As defined in Chapter Three, resilience is the capacity to adapt to change in positive ways. The two dominant locally-owned trucking companies on the Great Northern Peninsula are specialists in adapting to change in positive ways. In an interview, the director of the Atlantic Provinces Trucking Association noted, with regard to Company A, that:

> Company A is the experts in how you operate a trucking company and stay viable on the west coast of Newfoundland. They have been very shrewd in what they have done. Very organized and aware of the limitations of what they can do, but they have been very successful in building relationships.

Company A and Company B are resilient within dependency in two ways. First, resilience within dependency is demonstrated in the creative response to unfavourable conditions that both companies face and over which they have limited control. Poorly administered transportation policy, substandard highway construction, unpredictable weather, and the logistical difficulties associated with operating a trucking company on an island have all been presented in this chapter as factors influencing dependent communities. Both companies have found ways to creatively incorporate these elements of dependency into their daily operations. Both routinely reach out to shippers' needs in ways that are unique to the Great Northern Peninsula simply because they, too, are part of the communities they service. As Company A's owner noted, the costs of trucking on the Great Northern Peninsula cannot be calculated effectively from Toronto, or even Moncton. Trucking on the Great Northern Peninsula has to take into account cultural,

climatic, and industrial factors, all of which may limit efficiency in ways that would not affect many other jurisdictions.

To suggest, however, that the resilience of locally-owned trucking companies on the Great Northern Peninsula is entirely the result of hard work and dedication underestimates, and perhaps romanticizes, the structural problems associated with doing business in the region. By national or even regional standards, the conditions under which trucking operates on the Great Northern Peninsula are unenviable and, perhaps, unsustainable. Limited industrial output, low population, little commercial development, and the unpredictability of the ferry crossing all threaten the financial viability of trucking on the Great Northern Peninsula. Similarly, unpredictable weather, almost routine delays, and the high costs associated with both, make it all but impossible for models of trucking that work elsewhere to work in this region.

The genesis of Company A and Company B's resilience within dependency stems from these companies' ability to develop creative responses that subvert the otherwise unsustainability of social and economic conditions of dependency on the Great Northern Peninsula. This has allowed them to prosper where other companies routinely fail because they work within the structural conditions of dependency as opposed to trying to change them.

Second, the durability of Company A and Company B's resilience within dependency is maintained by the creative incorporation of local knowledge by both companies on the Great Northern Peninsula. Their capacity to align their operations to meet the expectations that are part of the cultural framework of the Great Northern Peninsula is probably the single greatest contributor to their resilience. People on the

Great Northern Peninsula understand the importance of commodity transportation to the region, and specifically, the importance of making trucking 'work' in the region. It is crucial that locally-owned companies are willing to be part of the diffusion and construction of local knowledge if they are going to prosper. This results in the shared social investment in helping one another out, in getting the work done by whatever means possible. Communities on the Great Northern Peninsula have demonstrated considerable capacity to *get things done*. As Felt and Sinclair (1991) note:

> Individuals can remain on the Peninsula… avail themselves of a significant informal labour exchange among friends and kin, be close to family and friends as well as have access to a wide range of outdoor recreational pursuits, or they can migrate to a larger urban centre with, perhaps, more secure employment and higher wages. Nonetheless, a majority of those who migrate can expect to live a lifestyle inferior to their present situation (p. 18).

Of course, locally-owned trucking companies on the Great Northern Peninsula can only remain resilient within a network that includes the support of customers they serve. Locally-owned trucking companies both reflect and build upon this capacity. From taking considerable pride in longstanding relationships with communities to tailoring business practices to meet the needs of the fishery sector, both Company A and Company B demonstrate their resilience.

There is, however, an additional factor not directly located on or controlled by regional actors on the Great Northern Peninsula that has had a considerable impact in shaping the long term resilience of locally-owned trucking companies in the region. Newfoundland and Labrador is geographically separated from the rest of Canada by the Cabot Strait. The majority of truck freight coming to the island must be loaded onto passenger and freight ferries in Cape Breton, Nova Scotia and transported to Channel-

Port aux Basques. A combination of the geographic obstacle created by the Cabot Strait as well as the operational obstacles created by unpredictable ferry crossing limits the willingness of off-island trucking companies to operate in Newfoundland and Labrador. Interestingly these barriers contribute to the capacity for resilience amongst locally-owned trucking companies on the Great Northern Peninsula. Its influence on the developmental paths of locally-owned trucking sector on the Great Northern Peninsula will now be examined briefly.

The Gulf of St. Lawrence marks not only a geographic but an organizational discontinuity in the trucking sector in Newfoundland and Labrador. The impact of the ferry service is that the majority of mainland trucks stay on the mainland, and Newfoundland and Labrador trucks stay in that province. Geographically, Newfoundland and Labrador and mainland trucking operate largely unaffected by each other. Organizationally, the creative responses by Company A and Company B, in particular, in seeking to overcome the barrier posed by the Cabot Strait greatly influence the unique character of locally-owned trucking on the Great Northern Peninsula. For reasons discussed earlier in this chapter, the majority of truck freight coming to the province of Newfoundland and Labrador (including freight destined for the Great Northern Peninsula) arrives as drop-trailer freight at the Marine Atlantic Terminal in Channel-Port aux Basques. Drop-trailer freight is largely LTL freight and most of this is directly controlled by Company A and Company B. Without the drop-trailer process, drivers from mainland companies would be required to accompany their loads on the ferry crossing. Upon arrival in Newfoundland and Labrador, it would make economic sense for these drivers to deliver their loads, secure a backhaul when possible, and return to the

mainland. The inevitable result of this process would be the dismantling of the carefully constructed freight management system created by Company A and increased direct competition from mainland firms in the LTL sector generally.

While mainland companies are already involved in the transportation of TL freight throughout Newfoundland and Labrador, direct competition in the LTL sector would likely disrupt locally-owned companies' capacity for resilience. TL freight is easily delivered in that, by definition, entire trailer loads are delivered to single – usually industrial – customers. TL freight is delivered internationally with little knowledge of local traditions and customs; Eastwood's lumber shipping practices reflect this model. However, it is also an 'all or nothing' business. In many cases, TL freight requires specialized equipment (including flatbed trailers, and heavy duty log trailers). In the transportation of raw materials, such as lumber, for example, a single mill shutdown can effectively erase the demand for trucking services in that sector. Similarly, in areas with little industrial growth, the demand for TL services is also limited. If nothing is being built, expanded, or renovated, there is no need for TL deliveries. Virtually no demand for industrial products equates to very little need for TL shippers. This is precisely the case on the Great Northern Peninsula. This is why both Company A and Company B have avoided the TL sector, leaving it instead to out-of-region carriers, who are often obliged to do TL business on the Peninsula, despite the uncertainties associated with it.

LTL transportation, which constitutes the majority of what moves on and off the Great Northern Peninsula, is characterized by several stops and unloading a considerable array of consumer goods in often far more challenging conditions. LTL trucking in places like the Great Northern Peninsula requires considerable local knowledge. Importantly for

locally-owned companies' resilience, however, it is also far less likely to 'bottom out' than TL services. As long as there are people living on the Great Northern Peninsula and small businesses operating to support those people, there will be a continual need for LTL trucking. The ferry service, then, contributes to a regional trucking model that allows locally-owned companies on the Great Northern Peninsula to specialize almost entirely in LTL (reliable) freight, while relying on out of region carriers for the bulk of TL (unreliable) freight. Should out of region carriers be forced into LTL deliveries in places like the Great Northern Peninsula, locally-owned companies may be forced into direct competition in both the LTL and TL sectors, undermining their capacity to remain resilient and potentially lowering the quality of trucking services available to customers on the Great Northern Peninsula as a whole.

There are many factors that help to maintain the resilience of locally-owned trucking companies on the Great Northern Peninsula. While no single factor is capable of undermining this delicate balance, these companies' resilience remains vulnerable. Indeed, decisions made outside the region have the capacity to undermine these companies' ability to remain resilient in the long term. The Great Northern Peninsula, after all, is a dependent region and, ultimately, subject to the control of policy decisions that will not necessarily reflect the region's best interests. The locally-owned trucking companies examined in this research are, however, resilient within dependency. In order to fully understand the uniqueness of the situation on the Great Northern Peninsula, the developmental paths of locally-owned trucking companies uncovered in the second case study on the Acadian Peninsula will now be presented.

6.7 Locally-Owned Trucking on the Acadian Peninsula

The Acadian Peninsula is geographically isolated, heavily influenced both culturally and economically by resource extraction, and experiences severe winter weather. A few hours spent travelling on the Acadian Peninsula clearly demonstrate that it bears the legacy of a region shaped historically by small-scale fisheries and forestry operations. It is removed from New Brunswick's Trans-Canada Highway corridor and has enjoyed very few industrial prospects outside of the fishery and forestry sector. There is local mining, although its future is far from certain. The region's only other industrial activity is the production of peat moss and a declining zinc mining sector. While the fishery and forestry sectors offer opportunities for locally-owned trucking companies, peat moss is exported following the model used by Eastwood Forest Products, discussed in the previous section. Trucks arrive and trucks leave, often without stopping anywhere on the peninsula. The majority of the finished products from the zinc mine are shipped from the port of Belledune, necessitating only limited local trucking of products from the mine to the port.

Much like on the Great Northern Peninsula, isolated coastal communities dot the Acadian Peninsula, reflecting the legacy of the fishery in these communities and the region as a whole. Further inland, the signs of commercial forestry activity are apparent, and lumber trucks are plentiful. Linking the two, poor highway infrastructure contributes to higher costs for the trucking industry in the region as most companies avoid local 'resource' roads – roads initially used to gain access to natural resources. While some of these roads are now maintained by the Province of New Brunswick, they remain unsuitable for heavy traffic for portions of the year, and pose serious risk to non-

experienced drivers.[29] However, for local truck drivers, speed is crucial to securing contracts; so many absorb the costs associated with poor roads in an attempt to remain competitive. A regional economic development executive on the peninsula noted:

> It's always a question of having good roads. Right now there are some truckers that use the resource road and other truckers that want to but are not allowed by their companies because there is no cell-phone service. So if you get stuck you might be there for several hours waiting to be helped… unless you have a satellite phone.

Initial comparisons between the Acadian and Great Northern Peninsulas indicate similar conditions in both regions; backhaul opportunities are not guaranteed, and maintenance costs might be considered prohibitive. Given the economic conditions on the Acadian Peninsula, it might be tempting to assume that extra-regional trucking companies largely avoid the region in ways similar to their avoidance of the Great Northern Peninsula. Data collected from the Acadian Peninsula, however, indicate that the region is served by all of the major New Brunswick based companies regularly, and that each major company has permanent warehouse facilities in the region. In the eyes of extra-regional trucking companies, while conditions on the Acadian Peninsula are generally poor, they are not poor enough to undermine profitability. The Great Northern Peninsula is buffered from the effects of competition by the ferry crossing. This has allowed locally-owned companies there to respond creatively to the challenges they face. In contrast, locally-owned trucking companies on the Acadian Peninsula have always been in direct competition with more fully developed, larger, and more efficient companies located outside of the region. They have not, by comparison, been afforded an opportunity to build resilience within dependency. Their developmental path, much more in line with the

[29] Retrieved from http://www.cbc.ca/news/offbeat/story/2011/03/03/nb-gps-driver-speaks.html

suspected patterns of development in dependent regions, is presented in the following section.

New Brunswick is home to three of Canada's largest trucking firms with substantial warehouse facilities in Moncton – the hub city, the historic eastern terminus of the Canadian National Railway, and a contemporary hub for rail and truck traffic. An executive with the Atlantic Provinces Trucking Association, based in Moncton, noted that:

> The Irving Group, Armour and Day and Ross compete for space within the top twenty carriers in Canada. They are very shrewd in their investments and how they develop. Business in general in Atlantic Canada is very conservative in its approach, which is very good for trucking companies in the region.

Shrewd business practices and a very conservative approach have defined the New Brunswick trucking industry, while allowing the established companies (some of the largest in North America) to amass considerable labour power and operating equipment. The most significant of the New Brunswick-based trucking companies is the Irving Group, which directly controls: RST, a bulk chemical/petrochemical hauler with over 200 trucks[30]; Midland Transport, a predominantly LTL firm operating tractor-trailer units, straight trucks and courier vans with a total of 1,800 pieces of equipment[31]; and Sunbury Transport, Irving's truck-load carrier, which operates in the TL sector with over 300 trucks. Sunbury Transport is a dominant player in New Brunswick's woodchip industry, itself a major employer on the Acadian Peninsula.[32] While each company is owned by the

[30] "About Us." Retrieved from http://www.rsttransport.com/rst-industries-transport-about-history.aspx
[31] "Over 40 Years of Quality Service." Retrieved from https://www.midlandtransport.com/default.aspx?id=36
[32] "Our History." Retrieved from https://www.sunbury.ca/sunbury-transport-about-history.aspx

Irving Group, each operates on the for-hire market internationally and independently of Irving's in-house branded trucking fleet that delivers fuel products to residential and commercial customers throughout the Atlantic Provinces.

The second major player in New Brunswick trucking is McCain Foods, which, like the Irving Group of Companies, operates in both the for-hire and courier sectors. Day & Ross, the largest of the McCain-owned trucking firms, operates both an LTL and a TL service throughout North America, although its specialization is the LTL sector. It is considered a truly international LTL carrier with local and regional customers throughout North America including both the Acadian and the Great Northern Peninsulas. In 2009, Day & Ross owned 288 tractors and 3,426 trailers, ranking fifth nationally. It is the largest trucking firm in Atlantic Canada.[33] Fastrax Transportation is a TL carrier. Rounding out McCain's Canadian trucking fleet is Sameday Right-O-Way, a courier operating nationally, including both peninsulas.

Armour Transport, the third major player in the New Brunswick trucking industry, defines itself as an integrated transportation and logistics management company. Armour's trucking division consists of Armour Transport, Polestar Transport, and Armour Courier Services (ACS). Armour Transport is predominantly an LTL carrier with 835 tractors, and 2,750 trailers, which in 2009 made it the 11th largest trucking firm in Canada.[34] Polestar is Armour's TL division. ACS is a regional courier service offering same day service between many points in the Maritime Provinces. Armour is differentiated from both the Irving Group and the McCain conglomerate in that it operates

[33] "Top 100 2009." Retrieved from http://www.todaystrucking.com/Top100_2009.cfm Retrieved July 10,
[34] "Top 100 2005." Retrieved from http://www.todaystrucking.com/Top100_2005.cfm Retrieved July 10,

only in the trucking sector, whereas both Irving and McCain's have diversified interests in several other industrial pursuits.

What has emerged on the Acadian Peninsula is essentially a story of two competing models of trucking services. On the one hand are the companies headquartered outside of the region which compete against locally-owned companies in both the LTL and TL sectors. On the other hand are the small locally-owned companies which, unlike their counterparts on the Great Northern Peninsula, are largely involved in TL trucking and the uncertainties it brings with it. These models are presented in Table Two below:

Table Two
Models of Trucking on the Acadian Peninsula

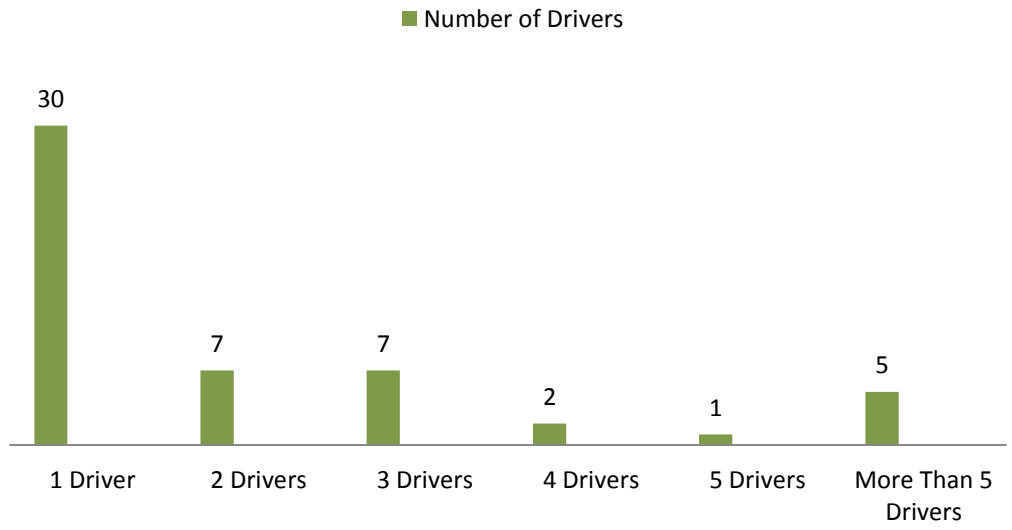
MODEL	Competitiveness	Labour Process
Locally-owned companies	Very low competitiveness. Largely tied to the forestry sector. Dominated by the TL sector.	Largely owner-operator driven. Small, single unit/single driver companies
Companies owned outside the region	Highly competitive. Predatory on local companies. Dominated by the LTL sector.	Owner-operator driven.

While no specific measure of the number of trucking companies on the Acadian Peninsula is available, one effective way of assessing the organization of locally-owned trucking companies in the region comes from an analysis of data collected by the US Department of Transportation's records of trucking companies in New Brunswick that are licensed to operate in the US. While not every locally-owned company operating on the Acadian Peninsula would be registered with the US Department of Transportation, such registration is an industry standard and companies without this registration would be the

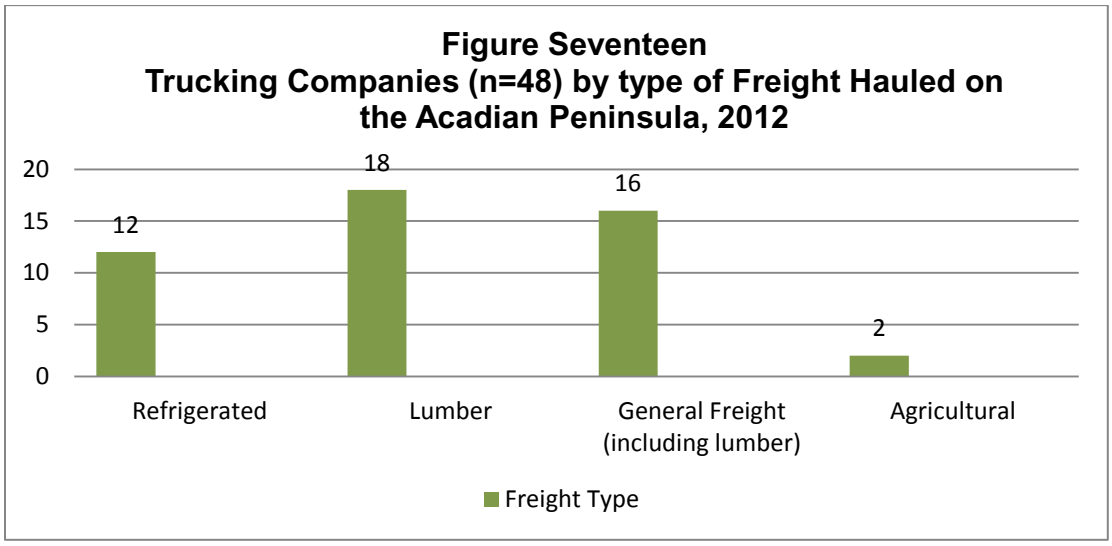
exception to the rule. Perhaps the biggest benefit in examining these data are that they can account specifically for trucking companies registered to addresses on the Acadian Peninsula.

When these data are analyzed, two crucial differences between the Acadian and the Great Northern Peninsulas are uncovered. First is the size of the locally-owned industry on the Acadian Peninsula. As of 2012, there were 48 trucking companies registered in the region, as opposed to only two major players and a handful of minor operations on the Great Northern Peninsula. Upon closer examination, it is revealed that the most common type of locally-owned trucking company on the Acadian Peninsula is small owner-operators. These companies typically have fewer than five employees, and the majority are single truck/single driver operations. These data are presented in Figure Sixteen.

Figure Sixteen
Trucking Companies (N=48) by number of drivers on the Acadian Peninsula, 2012.



A second difference is the scope of the locally-owned trucking sector on the Acadian Peninsula. The majority of the locally-owned companies on the Acadian Peninsula operate in the TL sector, thus losing out on the ability to generate local connections and long term customers that is crucial to the resilience of locally-owned trucking companies on the Great Northern Peninsula. In two central measurements of dependency – size and scope – locally-owned companies on the Acadian Peninsula reflect typical patterns of commercial development in dependent regions. These data are presented in Figure Seventeen below:



To further complicate the process of pinpointing the size and scope of locally-owned trucking companies on the Acadian Peninsula, it was discovered that, for many, trucking is a seasonal business supplemented with work in other industries at various times of the year. In some instances, individuals engage in the trucking industry on a part time or seasonal basis to supplement patterns of occupational pluralism; these patterns of employment are often supplemented with earnings in the fishery or other primary

industry. As the manager of the Chaleur Regional Economic Development Corporation noted:

> It's really hard for the small companies hauling wood to keep trucks on the road. The operating costs are too high, so maintenance drops and there are unsafe trucks. It would be better if they could work together somehow. Otherwise, nobody gains in the long term… I don't think it's happening with the trucking companies, but it's happening with the one-truck businesses. There are a lot of these guys who don't even use brokers; they just try to find loads on themselves.

In order to remain competitive, locally-owned trucking companies on the Acadian Peninsula must find efficient niche markets, or ways to undercut the competition. Maritime Provinces Transportation Ministers' current interest lies in the construction and maintenance of the Atlantic Gateway, a series of regulatory changes that would harmonize and coordinate the movement of freight through the Maritime Provinces, which if formalized will see the primary focus of transportation development in New Brunswick become the construction and maintenance of a dedicated freight corridor from Halifax through New Brunswick to markets in central Canada and the eastern seaboard of the United States. The cumulative effect of the deregulation of transportation in general and the trucking industry in particular has been a pronounced decrease in the ability of locally-owned companies on the Acadian Peninsula to compete in any sustainable sort of way.

As one locally-owned trucking company owner noted, trucking in New Brunswick is dominated by three major out-of-region players and locally-owned companies are forced to play a largely secondary role, often scrambling to secure loads in the TL sector that have been deemed unprofitable by the 'three biggest provincially-based LTL carriers, often referred to simply as the 'big three:'

> The big three definitely have a presence in the region. The mines definitely use Day and Ross or Midland. It depends on what they are hauling. If they carry concentrate – open box – then it will likely be local, but lead smelt or finished products, they'll use Armour or whoever… there are always lots of Day and Ross trucks at the mines.

LTL trucking services on the Acadian Peninsula are dominated by major carriers based outside of the region. LTL freight is significant in rural areas like the Great Northern and Acadian Peninsula, where almost all consumer goods are transported into the region. Unlike the Great Northern Peninsula experience, however, locally-owned trucking development in the LTL sector is very limited on the Acadian Peninsula, reflecting the saturation of the market by out of region carriers. There is one local moderately sized trucking company operating approximately 40 pieces of equipment. While this company works in the LTL sector occasionally, the majority of its capacity is contracted to local mines, hauling aggregate from resource beds to mine sites. In this sense, this operator is in a structural position similar to the non-competitive locally-owned companies on the Great Northern Peninsula. Often these individuals cannot meet the levels of efficiency offered by the larger companies and they increasingly find themselves being squeezed out of the marketplace:

> These companies often compete with one another and often we end up with trucks that are not safe on the road. In the short term people gain but in the long term nobody is gaining with that system... It's not happening with the trucking companies, it's happening with the one-truck businesses. (NL policy maker, May, 2005)

Contracts with the mines are lucrative but unpredictable. In the absence of these contracts, the moderately sized companies find themselves in direct competition with the large companies. They find it increasingly difficult to maintain market share in light of the increased operating costs and widely acknowledged bully-tactics, such as price

undercutting, used by the larger companies. The relative security offered to local companies in the TL sector by large mining operations on the Acadian Peninsula is under constant pressure. As Brunswick Mines, located outside of Bathurst, approaches the end of its scheduled lifespan,[35] significant losses will be felt in locally-owned trucking. This will undermine the major source of revenue of many locally-owned companies, driving them into competition with out of region companies and threatening the quality of service provided regionally. As one regional economic development executive for the Acadian Peninsula noted:

> Right now, we have a pretty good trucking service here because we have a lot of industry, but once the mine closes I think that will negatively impact the trucking industry… In terms of Brunswick mines, the numbers I saw from six years ago – just in buying lubricants and replacing tires for mine equipment, the costs were over $3 million and all that was bought from local companies and trucked to the mine.

In addition to the mine closure, several factors work against the resilience of locally-owned trucking companies on the Acadian Peninsula. First is the ability to drive through the region, maximizing backhaul opportunity and limiting wasted travel time. This makes it easier for out of region companies to treat the Acadian Peninsula as an easy stop along the way as opposed to a final destination as on the Great Northern Peninsula. While the network of resource roads used almost exclusively by locally-owned companies offers a slight competitive advantage over out of region companies, it does not compare to the competitive advantage enjoyed by locally-owned companies on the Great Northern Peninsula. On the Great Northern Peninsula, all traffic must 'backtrack' on the sole highway spanning from south to north, representing considerable lost revenue for out of

[35] "Bathurst Mine to close in 2013." Retrieved from http://www.cbc.ca/news/business/story/2012/03/28/nb-bathurst-mine-xstrata-closing.html

region companies which are unlikely to secure backhauls. Second, the Acadian Peninsula has a significantly higher population, and considerably more commercial diversification than the Great Northern Peninsula. Many of the raw materials used to support the region's industrial sector are transported by local companies. In contrast, practically all consumer goods destined for the Acadian Peninsula are carried by out of region LTL companies which are likely to tap into the 'load and go' model of shipping demanded by the local fisheries sector or peat moss operations to secure backhaul out of the region, undercutting locally-owned firms' ability to secure these loads. The entire idea of differentiating between prime hauls (to the region) and backhauls (out of the region) is problematic for trucking companies based in Atlantic Canada. Typically, out-of-region companies account for the prospect of returning empty when pricing the cost of loads to the Atlantic region. This essentially puts them in a position to undercut truck traffic originating in the region as backhauls can operate at a loss and still generate profit. In contrast, Atlantic Canadian companies rely on loads leaving the region to secure high value backhauls, placing them in direct competition with out-of-region carriers.

6.8 Dependency: Trucking on the Acadian Peninsula

> The fact is that we are the consumers' mode of choice. In the Atlantic region we carry more than ninety per cent of the consumables coming to this region. We are a flexible mode of transportation. If there is a roadway, we can access a community. We are the only mode that can offer that kind of flexibility. (Atlantic Provinces Trucking Association, May, 2005)

The competition between locally-owned and out of region carriers in the LTL sector on the Acadian Peninsula has made it difficult for locally-owned companies to

establish themselves in the reliable, somewhat lucrative LTL market. LTL shipping is central to locally-owned companies' ability to remain profitable on the Great Northern Peninsula. Locally-owned companies on the Acadian Peninsula cannot compete in the long term with the large multinationals that routinely service the region. Locally-owned firms are left to compete against one another and out of region companies within the unreliable TL freight sector – precisely the market that locally-owned companies on the Great Northern Peninsula have been able to avoid.

The resilience of locally-owned trucking on the Great Northern Peninsula and the lack of resilience in their counterparts on the Acadian Peninsula are only partially influenced by industrial output, population, and commercial opportunities, or an economic base that is concentrated in traditional, finite, industrial outputs. LTL trucking on the Great Northern Peninsula and TL trucking on the Acadian Peninsula expose both sectors to differing degrees of contact with out of region carriers. This exposure, consequently, determines the extent of competition to which locally-owned companies in both sectors have to respond. Ultimately, the exposure to and the extent and consequences of competition between locally-owned and out of region trucking companies on the Acadian Peninsula are reflected in these companies' limited resilience.

Locally-owned trucking on the Acadian Peninsula is vulnerable. Vulnerability, as discussed in Chapter Three, is the passive acceptance of the consequences of structural change. Locally-owned trucking on the Acadian Peninsula is constrained by its inability to respond creatively to structural conditions in ways similar to locally-owned companies on the Great Northern Peninsula. On the Acadian Peninsula, patterns of development in locally-owned trucking align themselves well with what dependency theorists would

predict trucking should look like in resource-extracting peripheral regions. These locally-owned trucking companies operate in the shadow of the large out of region companies. They are not unproductive, but to paraphrase Marx, they do not control the conditions under which they operate. These companies do not have the ability to become creative actors in the face of dependency. They are not, by definition, resilient. They are, in contrast, dependent.

Interestingly, dependency within the locally-owned trucking sector on the Acadian Peninsula emerges within a region that by all accounts does not suffer from the extent of dependency generally observable on the Great Northern Peninsula. In this regard, an inverse relationship between locally-owned trucking companies and the regions in which they operate has been uncovered. Sager's (1988) commentary on regional industrial dependency echoes this finding:

> The 'disarray' and 'crisis' in… regional industry cannot be understood in terms of inter-regional relationships of power and dependency – not as a result of *underdevelopment* in the periphery, but as part of the particular nature of capitalist *development* in a major regional industry (p. 121).

On the Acadian Peninsula, as on the Great Northern Peninsula, the resilience or dependency of locally-owned trucking companies manifests itself in two distinct social responses. On the Great Northern Peninsula, this response is underscored in the creative use of local knowledge by locally-owned companies' and the unfavourable social, economic, and environmental conditions. On the Acadian Peninsula, despite outwardly more favourable operating conditions, the responses available to locally-owned companies are considerably more limited. First, companies on the Acadian Peninsula are faced with the unequal articulation between locally-owned and external trucking capital.

The Acadian Peninsula is marked by greater population, diversification in the commercial sector, and, consequently, greater demand for trucking services than the Great Northern Peninsula. While it would be an overstatement to declare the Acadian Peninsula an attractive market *per se*, the region's significantly more developed status has attracted the attention of out of region trucking capital. Several trucking firms maintain terminals, equipment, and labour power in the region. These companies are widely suspected of engaging in predatory practices that allow them to operate at a loss on the Acadian Peninsula, having the cost absorbed by loads outside of the region, thereby maintaining dominance in the region. As one research participant on the Acadian Peninsula noted, the system described above forces locally-owned trucking companies on the Acadian Peninsula to perpetually "bid for the table scraps" left by the out of region carriers. This process has been documented in the trucking industry in other resource extracting regions. Gardner's (2000) analysis of trucking in the Louisiana Oil Patch describes a continual process of concentration of valuable loads in the hands of large industrial players, leaving smaller companies to accept undesirable or even dangerous loads to survive (p. 55).

The second factor contributing to the vulnerability of the locally-owned trucking sector on the Acadian Peninsula is its overspecialization in the TL sector. Locally-owned companies on the Great Northern Peninsula are maintained, in part, because of their specialization in LTL freight and the guarantee of at least some business that this brings as long as there are people living and working in the region. Locally-owned trucking companies on the Acadian Peninsula are most commonly single driver/single unit owner-operators. There is little capacity within these companies for diversification and,

consequently, little protection from resource collapse or industrial restructuring over which the region has little control. The economic conditions under which locally-owned companies operate on the Acadian Peninsula are determined by exogenous capital. On the Acadian Peninsula, it is the out of region carriers that dominate the crucial LTL market. As on the Great Northern Peninsula, there will be work for LTL truck transportation on the Acadian Peninsula as long as there are people living in the region. Fighting for loads in the TL sector keeps locally-owned companies dependent on industrial capitalist expansion. Locally-owned companies on the Acadian Peninsula, therefore, find themselves being forced to play by another group's rules in a game they cannot possibly win. Locally-owned trucking companies on the Great Northern Peninsula, by contrast, have reset the rules of the game.

CHAPTER SEVEN

Resilient enterprises within dependent region:

Sociology of the Structurally Barely Possible

> The development of transport has to be seen in the wider context of individual, household and community development. Hence the impacts of transport need to be addressed beyond the basic level of economics, taking account of social… concerns and aspirations. (Fouracre, 2001, p. 8)

This dissertation has examined the dependency, resilience, and resilience within dependency of locally-owned trucking companies on the Great Northern Peninsula of Newfoundland and Labrador and the Acadian Peninsula of New Brunswick. The data presented in Chapters Four, Five, and Six include demographic profiles of both Peninsulas, a critical examination of key developments in transportation policy affecting Atlantic Canada, and a detailed case study of locally-owned trucking companies on each Peninsula. Analysis of these data has concluded that, economically, dependency continues to impact both regions, reflecting historic local patterns of resource extraction and domestic commodity production. Additionally, it reaffirms the role of geography and climate, factors over which locally-owned trucking companies have limited control, in the maintenance of regional dependency and the capacity for resilience. Combined, these economic and geographic factors directly impact the ability, or inability, of locally-owned trucking companies on both Peninsulas to become resilient within dependency.

On the one hand, locally-owned trucking companies on the Acadian Peninsula illustrate the expected characteristics of local industrial development in dependent regions. They face uncertainty and have little capacity to directly control their futures in the face of intense competition from their out-of-region counterparts. On the other hand,

locally-owned trucking companies on the Great Northern Peninsula have developed considerable capacity to work creatively within conditions of dependency. In the absence of direct competition, they respond to uncertainty in considerably more proactive ways, even incorporating the very uncertainty that keeps mainland companies largely out of the region into their operating practices.

The resilience of locally-owned trucking companies on the Great Northern Peninsula should not be overstated; these companies are, after all, protected from some of the marginalizing forces that impact locally-owned trucking on the Acadian Peninsula. Their innovation must also be fully recognized; they have found ways to make things work despite considerable odds – odds that have kept mainland competitors out of the region's vitally important LTL trucking sector. The remainder of this chapter will review the key findings and draw some practical conclusions for the future resilience of locally-owned trucking companies on both Peninsulas. As it is beyond the scope of case study methodology to allow for the construction of prescriptive conclusions in a general sense, those presented here will reflect local success and failure that may inform future research in similar social and economic contexts.

7.1 Dependency and Resilience

By all traditional predictors of economic viability in the trucking industry, locally-owned trucking companies on the Acadian Peninsula could be expected to be more resilient than their counterparts on the Great Northern Peninsula. The Acadian Peninsula is closer to national and international markets, has a richer and more diversified economy, a larger population, and arguably a more hospitable climate and geographic terrain. On the Great

Northern Peninsula, where much the opposite is true, however, locally-owned trucking companies have displayed significantly more resilience in the face of dependency. Anecdotally, locally-owned trucking companies on the Acadian Peninsula are spinning their wheels, while on the Great Northern Peninsula, they have gained traction. Yet, it would be a considerable oversimplification to argue that locally-owned trucking companies on the Great Northern Peninsula succeed because they are better, more resilient, companies. Rather, this research has uncovered in line with community and social-ecological systems resilience theories that it is the interconnections between individuals, institutions, and the environment in which they operate that predict or preclude resilience within dependency.

7.2 The Great Northern Peninsula

> Whether the performance of the system is a success or a failure is subject to the interpretations of those involved… We are not imposing a measure of success or failure. Rather, we are suggesting that attempts to improve the performance of the system from outside may undermine its ability to cope with change and maintain its structure and function. (Jannsen et al., 2007, p. 310)

Geography, climate and a number of social and economic factors ensure that out of region trucking companies routinely avoid the Great Northern Peninsula. Using orthodox trucking economics, there is little room to make a profit amidst the region's instability. Even many Newfoundland and Labrador-based companies feel this way. Locally-owned trucking companies on the Great Northern Peninsula, however, have developed ways to incorporate the very factors that make the area undesirable to other companies into their regional operations. Goods have to be moved to customers, and the

region's vitally important natural resources sectors need to get products to markets outside the region. On the Great Northern Peninsula, virtually all of these products are transported by locally-owned companies.

Magis' model (2010, p. 406) helps to explain the resilience of locally-owned trucking companies on the Great Northern Peninsula. First, these companies adapt to change and learn to prosper within that change. On the Great Northern Peninsula, both Company A and Company B have found ways to adjust to the unique challenges of operating in a region that should not be profitable by developing specific resilience strategies in everything from bidding loads off the Peninsula to knowing where to park trucks to protect them from windstorms. Challenges have been constructed as opportunities to prosper.

Second, communities develop resilience by planning, collective action, and innovation. On the Great Northern Peninsula, innovative strategies employed by locally-owned trucking companies – strategies that need not be considered by the trucking sector in non-dependent communities – have been tailored to meet the needs of the region's fisheries sector, allowing for easy access to empty trailers whenever products need to be loaded. Company A relies on community support to achieve this level of service. For example, this includes customers allowing equipment to be stored on their property awaiting demand for it during the fishing season. Finally, these companies' resilience is facilitated by engaging a remarkable range of resources from within the community. Local knowledge, local connections, and a commitment to the 'spirit' of life on the peninsula by the locally-owned trucking companies in the region is crucial to doing business.

Resilient companies are those that display the capacity to anticipate and react to conditions that maintain dependency throughout the local social system. This manifests itself in the ways these companies respond to the economic and geographical barriers facing the peninsula by structuring their operating practices in ways that reduce their vulnerability. Owners of locally-owned trucking companies on the Great Northern Peninsula know the nature of the loads they are bidding on; local truck drivers know the communities to which they deliver their goods and the shippers to whom they are delivering them. Similarly, their customers are aware of the importance of locally-owned trucking companies to their well-being and of the difficulties with which these companies must cope.

7.3 The Acadian Peninsula

Despite several observable demographic similarities between the Great Northern and Acadian Peninsulas discussed in Chapter Four, there is little evidence of resilience in the locally-owned trucking sector on the Acadian Peninsula. Here, the responses of locally-owned companies to conditions of dependency are constrained by the uncertainty and vulnerability that seems, curiously, to be a direct result of the region's relative geographic, social, and economic advantages over the Great Northern Peninsula. As indicated in Chapter Six, the majority of locally-owned companies on the Acadian Peninsula are single driver/single unit operations involved in the natural resources sector. These companies are dependent on industrial players outside of the region and, consequently, become price takers with little say in how their businesses are operating (Baran and Sweezy, 1966).

Locally-owned trucking companies on the Acadian Peninsula are dependent in two primary ways: first, locally-owned companies' success depends almost entirely on the unpredictable extraction of natural resources in the region; second, locally-owned companies compete directly with major players from outside of the region. Their dependent relationship with out of region competitors has precluded their ability to develop specific-to-the-region operational procedures similar to their counterparts on the Great Northern Peninsula. Locally-owned trucking companies on the Acadian Peninsula find themselves in the unenviable position of trying to succeed in a dependent region located in close enough proximity to major markets, and under stable enough economic conditions, as to place them in direct competition with out-of-region trucking companies. In other words, the Acadian Peninsula is accessible enough to encourage competition from out of region carriers, and dependent enough to have very limited capacity to become resilient.

This research has uncovered two sets of strategies that locally-owned companies on the Great Northern Peninsula have used to maintain their resilience within a marginalized region. While it is not possible to declare that these strategies are universal, it is worth noting that two key elements of resilience within dependency may prove to have practical use outside the regions examined in this dissertation and merit further consideration in future research. First, *levels of resilience and dependency* are examined. Reflecting Ommer's (2007) conclusion about coastal communities in Canada more generally, the idea of multiple levels of resilience and dependency within marginalized communities challenges the idea that resilience and dependency do not co-exist within the same complex system. Dependency, as manifested in locally-owned trucking companies,

is neither universally a temporary stage in the developmental paths of these companies, nor an inescapable structural reality. The resilience or dependency of locally-owned trucking companies in dependent regions is reflective of their ability to adapt to economic and geographic conditions over which they have very limited control. This ability, in turn, is influenced by resilience and dependency in other strata of the social systems in which they operate, including cultural and social factors not directly related to trucking company operations. Given the complexity of the social systems in which these companies emerge and the clear evidence of continued economic marginalization presented in Chapter Four, it is not possible to conclude that the communities in which these resilient locally-owned trucking companies operate have, themselves, become resilient. Resilience within dependency does not displace regional dependency, but rather, emerges as a local response to it.

Second, and in opposition to the more common focus on the social and economic impact of the relations of dependency in underdeveloped regions, this research indicates that a more accurate depiction of the social relationships that emerge in marginalized communities is achievable if the starting point for any analysis is *relations of resilience and dependency*. One of the key elements of relations of resilience uncovered here has been the importance of local knowledge and the spirit of domestic commodity production discussed in Chapter Four.

This research has uncovered three interconnected ways in which resilient locally-owned trucking companies operationalize their local knowledge in the context of dependency:

(a) Dependent companies are forced to look outward, often beyond the region in which they are located, for their economic survival. This renders these already unstable companies susceptible to increased direct competition. Resilient companies look inward, toward local connections to foster long-term relationships with dedicated customers. This ensures that they truly become local 'experts' in service provision that often supersedes the quality of service that out-of-region competitors could provide.

(b) Dependent companies see inhospitable geography and unpredictable weather as threats to their ability to provide quality service to the communities they serve. Resilient companies simply learn which communities have structures that, literally, offer shelter in a storm. While these conditions lower the quality of service that can reasonably be provided, it appears as though resilient companies are able to weather these delays by relying on the strength of their relationships with customers.

(c) Dependent companies' uncertain freight volumes are a reason to refrain from investing in equipment or infrastructure. Dependent companies on the Acadian Peninsula are overwhelmingly single unit owner-operators. This places considerable economic pressures on individual company owners to keep trucks moving as much of the time as possible. These companies generally find themselves 'following the money' out of the Acadian Peninsula and, by definition, are often unable to build long term local relationships with the region's shippers who, consequently, seek out low cost transportation regardless of how tenuous its ties to the region might be. Resilient companies have the capacity to anticipate the

uncertainty of their business and to engage in creative practices that help to protect them against it. Evidence of this is presented in the practices of buying used, lower price equipment with lower overhead, relying almost exclusively on in-house repair services, maintaining high quality customer relationships that can be drawn on to counterbalance uncertainty, and keeping a small number of wage-labour employees on the payroll throughout the year, even if this means finding work other than truck driving to sustain them in times of little demand.

7.4 Policy Implication

The data presented in this research have demonstrated that resilience in social-ecological systems emerges when community actors, including locally-owned trucking companies, incorporate a broad range of socioeconomic and geographic factors beyond their direct control into their operating practices. While the geographic and climatic challenges facing trucking companies on the Great Northern and Acadian Peninsulas are beyond the immediate reach of policy makers, a key socioeconomic factor in these companies' balance of resilience and dependency lies in the facility of their integration with trucking networks outside of their regions. On the Great Northern Peninsula, the strategic integration of the region's locally-owned trucking companies with markets elsewhere is dependent on the maintenance of Marine Atlantic's drop-trailer operations in Channel-Port aux Basques.

Currently, most of the LTL freight arriving in Newfoundland and Labrador is shipped to the province on Marine Atlantic ferries. The resilient locally-owned companies

on the Great Northern Peninsula have tailored their operations to complement Marine Atlantic's longstanding practice of drop-trailering. The spectre of eliminating drop-trailer services threatens the capacity for resilience of the locally-owned trucking companies on the Great Northern Peninsula. Modifying drop-trailer operations to increase, or favour, live loads may provide initial cost savings for Marine Atlantic, as it would eliminate or greatly reduce the need for shunt drivers whose responsibility it is to load and unload trailers dropped at the ferry terminals. It would, however, also undermine the relative autonomy of the trucking companies which participated in this research have secured; this autonomy has helped ensure their resilience. Forcing live-load competition from outside the island would bring out-of-region companies with little interest in operating on the Great Northern Peninsula into contact with the locally-owned companies already located on the peninsula. As opposed to lowering the costs to shippers on the Great Northern Peninsula, it is reasonable to assume that outside competition would have detrimental effects on both the locally-owned companies as well as on their customers. Higher delivery costs for consumer products would reflect the barriers to efficient operations associated with trucking on the Great Northern Peninsula. At present, these costs are partially absorbed by the resilient strategies of locally-owned companies.

The unique operating environment of the Great Northern Peninsula renders it likely that direct competition for locally-owned trucking companies in the region would result in a gradual decrease in the quality of service offered to the region's customers. In the short term, out-of-region competition has the potential to undermine the resilience of the region's locally-owned companies. In the long term, out-of-region companies, with

little local knowledge and few community contacts, are unlikely to be able to offer sustainable, profitable, LTL transport to the Great Northern Peninsula. Locally-owned companies are, similarly, unlikely to be able to sustain their operations in direct competition with the very companies whose freight they now carry exclusively. Ultimately, the users of LTL trucking services on the Great Northern Peninsula stand to be considerably less well served should Marine Atlantic's drop-trailer operations be eliminated.

On the Acadian Peninsula, policy recommendations for creating a capacity for resilience within locally-owned trucking companies are not as easily crystallized around one key factor. Unlike the relative autonomy enjoyed by companies on the Great Northern Peninsula, it is much easier for out of region trucking companies to access the Acadian Peninsula. This situation is exacerbated by New Brunswick's saturated trucking marketplace, including a considerable proportion of Canada's LTL capacity. These factors have limited the potential growth of locally-owned trucking companies in the region's LTL sector and, consequently, have limited this sector's capacity for resilience. Policy directives in this region should foster local development in the Acadian Peninsula's LTL sector.

7.5 Future Research

There are two key areas in which the data presented here should be expanded for a more comprehensive picture of the relationship between resilience and dependency in the trucking sector. First, the scope of this research should be expanded, by including further case study analysis of locally-owned trucking companies in other regions. This

dissertation has uncovered several mid-level responses to the structural conditions of dependency that either contribute to or negate the capacity for resilience in locally-owned trucking companies on the Great Northern and Acadian Peninsulas. Case study research, however, has limited capacity for generalizability. Examination of the dependency and resilience of locally-owned trucking companies in similar regions will expand upon the data presented in this dissertation. It would be useful to ascertain whether the relative dependency or resilience of locally-owned trucking companies elsewhere falls within the spectrum of resilience and dependency highlighted in this research. Each successive case study would contribute to the understanding of the full range of expressions of resilience.

Second, the scale of analysis could be altered in future related research. The role played by the large industrial trucking companies in the Atlantic region needs to be more fully examined. The fact that some of Canada's largest trucking companies are headquartered in New Brunswick is an anomaly. The current research has been unable to examine adequately how these large trucking companies prosper within the same geographic and industrial barriers that beleaguer small locally-owned companies. Specifically, it would be informative to uncover whether large companies' resilience is simply a result of the scale of these operations or whether there are qualitative differences in the structure of these companies that have allowed them to grow.

Further research into the working conditions of individual truck drivers, which would respond to empirical gaps in the knowledge as well as having considerable economic development policy implications, is also important. The Atlantic region's trucking industry is facing a critical human resources shortage, with an expected need for

over 3,000 qualified drivers in the next decade.[36] Canadian truck drivers are aging out of the workforce considerably more quickly than they are being replaced, and all companies, large and small, will be forced to reconcile the increased demand for services with a dwindling labour pool. One of the key elements to be examined from a sociological perspective is the social determinants of truck drivers' health and wellbeing. Specifically, trucking companies need to know what can be done to improve driver retention.

7.6 Why Dependency? Why Resilience?

This chapter has summarized the empirical evidence that indicates that resilience within dependency accounts for the actions of locally-owned trucking companies on the Great Northern Peninsula. It has discussed the specific ways in which resilience has been mobilized, or not, within dependent communities on the Great Northern and Acadian Peninsulas (scales of resilience). It has also identified the importance of formal and informal social relationships and cultural factors in these companies' success (i.e., relations of resilience). In complex social systems like the Great Northern and Acadian Peninsulas, however, the resilience or dependency of any institutional player such as locally-owned trucking companies is shaped by social and economic as well as organizational factors, and local-owned trucking companies' successfully navigation of these relationships increases their capacity for resilience:

> The key, then, both to defining communities and to evaluating vulnerability and resilience are political, social and economic relationships. Those with more social, political or economic power have more options in dealing with change (Clay and Olsen, 2008, p. 152).

[36] Retrieved from http://www.todaystrucking.com/east-coast-truckers-targeting-industry-labour-issues

As presented in Chapter Six, the type of trucking that locally-owned companies undertake on the peninsulas is crucial to building the types of community relationships that will sustain their capacity to become resilient in the long term. However, a distinction must be made between trucking work in the TL and LTL sectors. Specifically, this dissertation has determined that control of the LTL sector is central to the capacity for resilience of locally-owned companies on the Great Northern Peninsula. In contrast, specialization in the TL sector undermines the resilience of locally-owned trucking companies on the Acadian Peninsula. By its very nature, TL freight reflects regional industrial needs – more industry means more TL freight demand. Regional demand for LTL freight reflects community needs.

As discussed in Chapter Six, locally-owned trucking companies on the Great Northern Peninsula operate almost entirely in the LTL sector. As long as people live on the Great Northern Peninsula, there will be a need for LTL freight service to the region. Two conclusions can be drawn here. First, on the Great Northern Peninsula, locally-owned companies have used the undesirability of the local LTL market to their advantage. Second, customers on the Great Northern Peninsula have considerable interest in supporting locally-owned trucking companies given the difficulties companies based outside of the region often find themselves in when trying to operate in the region. Modifying the adage presented at the outset of this research, on the Great Northern Peninsula, "If you got it, you know who brought it".

New Brunswick has an abundance of trucking capacity in both the TL and LTL sectors. Some of Canada's largest LTL trucking firms are located only hours away from

all points on the Acadian Peninsula. The highway system in the region is relatively accessible, and, importantly, it is possible to 'drive through' the Acadian Peninsula, reducing the importance of backhaul opportunities. The capacity of out of region trucking companies to offer high quality trucking services on the Acadian Peninsula is obvious. Their commitment to the region, however, extends only as far as profits dictate. There is virtually no resilient locally-owned trucking in the LTL sector on the Acadian Peninsula. As a result, locally-owned trucking companies in the LTL sector have very little control over the conditions under which they work, the duration of work available to them, or their ultimate ability to sustain the services they provide. Locally-owned trucking companies on the Acadian Peninsula cannot face uncertainty with any confidence that they can rely on their customers and their organizational capacity to pull them through. It is difficult for these companies to become resilient in direct competition with some of the most competitive trucking companies in Canada. On the Great Northern Peninsula, the absence of outside trucking has contributed to the resilience of locally-owned trucking; on the Acadian Peninsula the presence of outside trucking has contributed to the vulnerability of locally-owned trucking. To modify, similarly, the opening adage, it seems as though on the Acadian Peninsula, "if you got it, you don't know who brought it."

7.7 The Possibility of Resilient enterprises within dependent region

> The course of history depends largely on the daring of those who propose to act in terms of historically viable goals… not on academic predictions, but on collective action guided by political wills that make work what is **structurally barely possible** (Cardoso and Feletto *in* Heller et al., 2009, p. 289, *emphasis added*)

Resilience has been equated at various times in this research to ordinary magic. However, Cardoso and Felleto's conception of the *structurally barely possible* more accurately captures the social reality of resilience in locally-owned trucking companies in complex social systems like the Great Northern Peninsula. In the absence of the data presented in Chapters Four, Five, and Six, it would seem *barely possible* for locally-owned trucking companies on the Great Northern Peninsula to become resilient. One may wonder whether the resilience of locally-owned trucking companies on the Great Northern Peninsula is, upon closer scrutiny, hollow. Could it be that resilient locally-owned trucking companies on the Great Northern Peninsula have simply emerged in the absence of the desire of out of region trucking companies to compete in the region? The data presented in this research would indicate that these claims are unfounded.

Lack of competition from trucking companies based outside of the region – as on the Great Northern Peninsula – is only one factor shaping the resilience of locally-owned trucking in the region. Lack of competition neither maintains equipment nor diverts blizzards. Locally-owned companies on the Great Northern Peninsula must actively respond to the uncertainty of the region, whether that uncertainty is caused by geographic, climatic, or socio-economic factors. Resilient locally-owned trucking companies on the Great Northern Peninsula act with intention and engagement. Their social position reflects a scale of resilience within a dependent social structure. Their specialization in LTL freight has ensured local support from the communities they serve. This reflects local knowledge that allows resilient companies to maximize their response to structural conditions of dependency in beneficial ways (Ommer, 2007). Furthermore, independence and lack of exogenous competition allow resilient locally-owned trucking companies to

enjoy considerable local control over their operations which, in turn, is crucial for their resilience (Magis, 2010, p. 405).

Locally-owned trucking companies in dependent communities become resilient despite economic, political, and even geographical marginalization – when there is a good "fit between the person and the environment" (Cobb, 1982, p. 198) or perhaps more aptly a good fit between locally-owned trucking companies, the services they offer, the knowledge they have, and the customers they serve. This is the structurally barely possible paradox of resilient enterprises within dependent region.

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APPENDIX A

Interview Consent Form

Summer, 2004

Research Participants

Hello,

My name is Michael Fleming. I am a PhD. candidate in the department of Sociology at Memorial University of Newfoundland in St. John's. I am conducting research into the role of the trucking industry along the Great Northern Peninsula. This research will seek to assess the importance of trucking, in light of the decline of other modes of commodity transportation, for the economic viability of the region generally. You have been approached for this interview because I feel you have significant valuable information to contribute to this project.

This study is part of the requirements for my PhD at Memorial University. It is funded by Coasts Under Stress (http://www.coastsunderstress.ca) a large multidisciplinary research project which is examining the impact of social and economic restructuring in Canada's coastal regions. My research is part of a sub-component of the larger project which examines the fishery and forestry sectors in Canada's coastal regions, under the direction of Dr. Peter Sinclair.

One requirement of research of this kind is that participation by respondents must be voluntary and informed. Another requirement is that all information you provide will remain anonymous. By signing this form, you are acknowledging that you have been fully informed about the purpose of the research, have had an opportunity to discuss the risks and benefits associated with the research, and have voluntarily agreed to participate.

Your participation is voluntary and you may end the interview at any time. The interview is projected to last for an hour. You may refuse to answer any particular question if you please. All information you provide will be treated in strict confidence and your name or other information that could identify you will remain strictly confidential and no comments which may possibly identify you will appear in any report without your express written permission. If there is a chance that you can be identified despite my precautions, I will contact you personally and ask for permission before making use of the information you gave in my work.

If you agree, I prefer to have the interview recorded on tape. This will guarantee that

your answers are recorded accurately. I will be transcribing all the interviews personally. The tapes will be destroyed upon transcription, and transcripts will be kept in a locked filing cabinet until analysis is complete. Your name will not appear on the tape or the transcript. At the bottom of this form, I ask you to indicate your preference regarding the disposal of the tapes and transcripts after my research is completed. When the research is complete, the transcript from your interview will be destroyed unless you check the space at the end of this form, which allows me to place a copy of the transcript (with all personally identifiable information removed) in the project archive.

Thank you for your participation and please feel free to inquire about any aspect of this research.

Having read the above, I _____ agree to take part in the study.

Signature _____ Date: _____

If you agree to take part, please indicate your preference with regard to the disposal of your interview transcript.

I agree that you may retain the transcript of this interview in a research archive at the conclusion of the research _____

I request that the transcript of this interview be destroyed at the conclusion of this research _____

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APPENDIX B

Interview Schedule

Trucking Companies

How is trucking organized on the Northern Peninsula?

What is the economic impact of trucking on the Northern Peninsula?

What proportion of trucking services on the Northern Peninsula is regionally-owned?

Do local trucking firms compete with those from outside the region?

How effective is transportation policy in creating an efficient environment for trucking on the Northern Peninsula?

Has deregulation improved the efficiency of trucking on the Northern Peninsula?

Would increased competition between firms improve efficiency in commodity transportation on the Northern Peninsula?

Does the trucking industry meet the consumer demand for items that have to be shipped into the region?

How is warehousing controlled on the Northern Peninsula?

Does your company engage in any inter-modal transportation?

How many truck drivers does your company service the Northern Peninsula?

Are owner-operators a significant player in the Northern Peninsula trucking industry? If so, are they more common in certain sectors (i.e. natural resources transportation).

How does the trucking of natural resources (lumber and fisheries products) differ from the transportation of commercial goods in its organization?

Are there adequate facilities on the Northern Peninsula to handle the secondary employment that is created by the trucking industry (repair shops, truck stops, etc), or do trucks generally leave the area to have this service done?

Does weather significantly impact the efficiency of commodity transportation in the region?

Overall, how efficient is trucking on the Northern Peninsula?
What is done very well?
What needs to be improved upon?

Shippers

How is trucking organized on the Northern Peninsula?

What is the economic impact of trucking on the Northern Peninsula?

What proportion of trucking services on the Northern Peninsula is regionally-owned?

Do local trucking firms compete with those from outside the region?

How effective is transportation policy in creating an efficient environment for trucking on the Northern Peninsula?

Has deregulation improved the efficiency of trucking on the Northern Peninsula?

Would increased competition between firms improve efficiency in commodity transportation on the Northern Peninsula?

Would you like to see more inter-modal competition for the transportation of commodities in the region?

What are the specific demands placed on the transportation system on the GNP by fisheries and forestry products?

Is the efficiency of transportation on the GNP hindered by lack of adequate secondary services (repair shops, rest stops, etc.)?

What could be done to make the GNP a more attractive market for transportation providers?

How important is the trucking sector to your business?

How is warehousing organized on the GNP?

Compared to the rest of Newfoundland, how would you rate the quality of service in trucking, on the Northern Peninsula?

How effective is transportation policy in creating an efficient environment for trucking on the Northern Peninsula?

How well does the trucking industry meet the demands of shippers on the Northern Peninsula?

What is done very well?

What needs to be improved upon?

Policy Makers and Development Officials

What role does the Northern Peninsula's natural resource base play in shaping transportation policy and practice in the region?

How does population distribution on the GNP influence transportation of goods?

Does the weather on the GNP influence the way transportation is organized, or the type of transportation used (truck, vs. other modes)?

Does the geography on the GNP influence the way transportation is organized, or the type of transportation used (truck vs. other modes)?

What role does the provincial government play in encouraging competitive transportation in the region?

What role does the Federal government play in this regard?

Has deregulation improved the efficiency of commodity transportation on the GNP?

What is the economic impact of trucking on the GNP?

Compared to the rest of Newfoundland, how would you rate the quality of service in trucking, on the Northern Peninsula?

Have any regional specific initiatives to improve the quality of service to the Northern Peninsula been started?

What kind of demand is there in the region for a wide range of high-priced goods such at electronics equipment, specialty foods, etc?

Do you feel cultural attitudes towards self-reliance on the Northern Peninsula have influenced the amount or variety of commodities shipped into the region?

What initiatives are planned for the near future to improve the quality of transportation service to the Northern Peninsula?

What can be done to make the GNP a more attractive market for transportation providers?

What incentive is there to encourage the development of locally-owned transportation services on the GNP?

Overall, how efficient is trucking on the Northern Peninsula?
- What is done well?
- What needs to be improved upon?