

Summary of:

Economic Perspective on the Prince Albert Model Forest Region of Saskatchewan; Kulshreshtha, S. N.; Siemens, J. K.; Doell, W. S. M.; Walker, H. V.; 1994; Prince Albert Model Forest Assoc. Inc., Prince Albert, Saskatchewan. 210 p.

SUMMARY

It is envisioned that the establishment of a model forest in the Prince Albert Region - the Prince Albert Model Forest - may well provide the critical mass that would augment the contributions that this Region and its environs could make to the economic development and industrial diversification of the provincial economy. In designing policies and programs to stimulate this development, baseline information is needed on the natural, human and capital resources in the Region, their characteristics, condition and scope in order that the potential of the Region for further economic development and industrial diversification can adequately be assessed. The central objective of this study is to address this need.

In particular, this study also focused on:

- (i) analyzing population trends, composition and employment patterns in communities within and peripheral to the Prince Albert Model Forest;
- (ii) examining of the nature of timber and non-timber benefits, values and uses in the Region; and
- (iii) assessing the adequacy of existing information and data systems in describing various economic circumstances and potentials of the Prince Albert Model Forest Region.

In addition, a review of the national and provincial forest sectors was also carried out with a view to provide an appreciation of the economic role played by the Prince Albert Model Forest Region.

In its essentials, this study is grounded on secondary data inasmuch as time and budgetary constraints did not allow for the collection and analysis of primary data on the economic circumstances of the Region and its periphery. As such, these constrain the study team's ability to develop an in-depth and up-to-date economic profile of the Region. Nevertheless, the study has revealed the economic and social significance of the forest resource in the Prince Albert Region to the Province of Saskatchewan and the Region. It has established that, while the Province's forest sector is relatively small in a national aggregate context, it assumes greater economic importance in the provincial and regional economies. In fact, it has indicated that, in 1991, the provincial forest sector and its associated industries accounted for 188 industrial establishments, generated 7,900 person-years of employment, and contributed some \$275 million to provincial revenues. Together with its related spin-off economic effects, this revenue contribution exceeded an estimated \$600 million. Moreover, the forest sector is also a major contributor to Saskatchewan's favourable balance of trade. The value of the Province's exports of forest-based goods and services exceeded the value of imports in 1990 such that a surplus of \$250 million was generated.

The Prince Albert Model Forest, in terms of its physical size, is relatively small, constituting some 315,326 hectares or about one percent (1%) of the Province's 65,230 thousand hectares of forest lands. It is estimated that about 48% of these 315,326 hectares are a natural reserve, the Prince Albert National Park. Of the remaining lands, productive forests occupy roughly half of the total, or about 82,081 hectares. The forest is endowed with multi-use resources. A combination of mixed wood and pure stands of a wide variety constitutes its timber resources. In addition, it provides

habitats for some sixteen (16) species of fish, six varieties of animal species, and a number of bird species. Hence, in addition to its rich timber resources, the Prince Albert Model Forest has substantial potential to generate a variety of non-timber resource uses and benefits that may have significant economic values. These non-timber resources may be divided into two broad categories, viz:

- (i) those that are on timber lands, and
- (ii) those that are on non-forest lands.

The timber lands contain the following resources in respect of which the following activities may be pursued:

- natural environment in which may be pursued recreation and ecotourism;
- wildlife that provide a basis for hunting, trapping, outfitting, non-commercial and traditional use;
- bird habitat on which may be pursued non-commercial benefits and hunting;
- lakes - aquatic resources that could be used to accommodate water-based recreation; commercial fishing, sports fishing and wild rice production;
- forest vegetation that could be used either for grazing or to provide specialty forest-based products such as mushrooms, wild berries, wild flowers, moss, oils and medicinal plants; and
- mineral and peat extraction.

The non-timber resources on non-forest lands in the Region include those in the Prince Albert National Park that was created as a natural resource, and set aside to remain untouched in its wilderness state so that it would be utilized for its scenery and for recreation. This Park contains a number of lakes that are used primarily for recreation and sports fishing. In fact, under the National Park Service regulations, commercial activity is not permitted on these lakes.

In the attempt to analyze its socio-economic and demographic circumstances, the Prince Albert Model Forest Region was divided into the following three major sub-regions, viz:

- Prince Albert National Park Sub-Region;
- the Montreal Lake Cree Nation Reserve Sub-Region; and
- the remaining unorganized portion of the Model Forest Sub-Region.

The total population of the Prince Albert Model Forest Region in 1991 was estimated at 727 persons of whom the largest number - 450 persons or 62% - was concentrated within the Montreal Lake Cree Nation Reserve and some 212 persons or 29% residing within the Prince Albert National Park. The remaining 65 persons reside in the Rural Municipality of Lakeland (35 persons) and the unorganized area of Division 18 (30 persons). The study indicates that significant differences exist in the economic characteristics of the Prince Albert Model Forest Region's two main sub-regions of the Prince Albert National Park sub-region and the Montreal Lake Cree Nation Reserve Sub-Region as well as of the unorganized peripheral sub-regions.

For example, the study shows that of the 255 persons, 15 years of age and over, in the Montreal Lake Cree Nation Reserve Sub-Region, some 120 were in the labour force, of whom only one half were able to find gainful employment. In contrast, of the 145 people, 15 years and over, in the Prince Albert National Park Region, 135 were in the labour force and had all secured gainful employment. Hence the unemployment rate in the Montreal Lake Cree Nation Reserve Sub-Region was almost 46 percent compared to zero unemployment in the Prince Albert National Park Sub-Region. Moreover, the

labour force participation rate on the Montreal Lake Cree Nation Reserve Sub-Region stood at 47.1 percent, compared to 93.1 percent for the Prince Albert National Park Region, resulting in an over-all participation rate of 63.8% for the entire Prince Albert Model Forest Region.

The disparities in unemployment and the participation rates within and between the two major sub-regions are equally striking. Within the Montreal Lake Cree Nation Reserve Sub-Region, the unemployment rate among males was 52.9 percent, compared to 28.6 percent among females, whereas the rates of unemployment among both males and females within the Prince Albert National Park Sub-Region stood at zero. Moreover, within the Montreal Lake Cree Nation Reserve Sub-Region, the labour force participation rate among males was 63 percent compared to 30.4 percent among females. Comparable data for the Prince Albert National Park Region indicate that the participation rate among males was one hundred (100.0) percent and 85.7 percent among females.

This analysis demonstrates that the proportion of the adult population in the Montreal Lake Cree Nation Reserve Sub-Region, participating in the labour force, is about 47 percent and that the participation rate is higher for men at 63 percent than for women at 30.4%. The population of the Prince Albert National Park has a relatively higher participation rate at 93 percent, with the rate for males at 100 percent and almost 86 percent for women. Furthermore, the rates of unemployment are equally diverse between the two sub-regions. The labour force within the Prince Albert National Park Sub-Region, on the one hand, is unusually successful in securing employment, having no one who was unemployed. Unemployment within the Montreal Lake Cree Nation Reserve Sub-Region, on the other hand, particularly among males, was almost 53 percent. Unemployment on the Montreal Lake Cree Nation Reserve remains, therefore, a major economic problem as almost one half of the labour force does not have any gainful employment, and government transfer payments make up roughly 39 percent of the total income in the Montreal Lake Cree Nation Reserve Sub-Region.

Furthermore, most of the workers on the Montreal Lake Cree Nation Reserve depend on the logging and forest industries (23.8%), and fishing and trapping industries (9.5%), which account for some 33.3 percent of the total employment. Significant diversities in the sources of employment between the labour force in the two major sub-regions also prevail. In fact, whereas logging, the forest, fishing and trapping industries provide employment for more than one third of the labour force on the Montreal Lake Cree Nation Reserve, no members of the labour force in the Prince Albert National Park Region work in these industries. Both the educational service industry and the health and social service industry each respectively generate employment for nineteen percent (19%) and the construction industries provide employment for 9.5 percent of the labour force on the Montreal Lake Cree Nation Reserve. No members of the labour force on the Prince Albert National Park have secured employment in these industries.

However, some 62.5% of the labour force in the Prince Albert National Park have secured employment in government service industries compared to only 19 percent in the case of the Montreal Lake Cree Nation Reserve. In addition, some 16.7 percent and 8.3 percent of the labour force in the Prince Albert National Park have found employment in the accommodation, food, beverage and other service industries respectively, whereas no member of the labour force in the Montreal Lake Cree Nation Reserve secured employment in these industries. Furthermore, 12.5 percent of the labour force in the Prince Albert National Park found employment in the retail trade industries, while no member of the labour force on the Montreal Lake Cree Nation Reserve have secured employment in these industries.

It is estimated that in 1986 there were some 18,340 private households in the peripheral regions of the Prince Albert Model Forest among which the average household income was approximately \$28,927. Some 75% of this income was generated from gainful employment, about 15 percent from government transfer payments, and 10 percent from other incomes such as dividends, interest, other investment income, retirement pension, superannuation and annuities. Of a total labour force of 25,645 in 1961, some 630 workers or 2.5 percent of the labour force were employed in the logging and forest industries. It was estimated that almost 35 percent of those employed in these industries resided in the City of Prince Albert, even though these account for a little over one percent of the total labour force in that city. The labour force in many of the communities in the periphery of the Region rely on the logging and forest industries for their employment. In these peripheral communities, some ten percent of the local labour force is employed in these industries.

For the aggregate peripheral region, the labour force participation rate in the City of Prince Albert is the highest at 67 percent, with 78 percent for men and 57 percent for women. The analysis indicates that the lowest participation rates were on Aboriginal reserves at 36 percent, with 47 and 24 percent for men and women respectively. In fact, the unemployment rates on Aboriginal reserves were also the highest in the peripheral region at 29 percent. Among Aboriginal males the rate of unemployment was 31 percent compared to 24 percent for Aboriginal women. In fact, the unemployment rate of 29 percent on Aboriginal reserves was almost three times higher than the over-all rate of 11 percent for the aggregate peripheral regions. Also, the labour force participation rate of 36 percent on Aboriginal reserves was considerably lower than the rate of 64 percent for the over-all peripheral region.

What this study has demonstrated is the relatively high levels of unemployment and the associated low labour force participation rates among the Aboriginal labour force that reside in the Prince Albert Model Forest and its peripheral regions. It also underscores the urgency of the need for the development of policy and program options to address this problem in order that the social and economic well-being of Aboriginal peoples in the region could be improved. An important implication of the study is that the logging and forest industries have been substituting innovative machinery and equipment for labour in response to technological developments that would improve competitiveness. Hence, policy makers and program planners should consider alternative options for creating incremental employment to meet the needs of Aboriginal communities in the Region.

Potential options for the creation of incremental opportunities for economic development, industrial diversification, income and employment involve more complete utilization and commercialization of the non-timber forest resource benefits that could generate economic values. The study suggests that these economic opportunities involve the possibilities for higher value-added processing for a number of traditional products that Aboriginal peoples have been gathering from the forests for centuries. These include harvesting the specialty forest products such as essential oils, berries, wild fruit, mushrooms, flowers, non-flower products including boughs, twigs, tree tops, mosses, lichens and barks, medicinal and pharmaceutical products, weaving and dyeing products and specialty wood products. In addition, potential entrepreneurial, employment and income generating opportunities exist in ecotourism in which there does not seem to be any commercial activity in the Prince Albert Model Forest. Other potential opportunities exist in such forest based activities as hunting, fishing, bird habitats, wild rice production and processing, outfitting, recreation, films and television programming, Aboriginal arts and crafts, photography, camping and cottaging, and visitations to cultural and historical sites to name a few.

The study has identified the major gaps in the data and other information needed in depicting the current economic circumstances of the Prince Albert Model Forest Region and its periphery. This presented major difficulties in developing an adequate economic profile of the Region. It has, therefore, presented a number of recommendations for filling the existing data and information gaps.