

ECONOMIC BENEFITS of PROTECTED AREAS

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photo: marten berkman



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photo: juri peepre

economic benefits of protected areas

THE CASE FOR COMPLETION OF A PROTECTED AREAS NETWORK IN NORTHWESTERN CANADA

executive summary

This report contains compelling evidence that the completion of a protected areas network in western Canada's north would have significant economic and social benefits for northern communities. Due to abundant wilderness and intact watersheds, the report shows that communities in Canada's north are well positioned to take advantage of economic and demographic trends that are placing increased value on regions with a healthy environment and access to natural attractions. It also highlights why the creation of protected areas represents an important economic opportunity, specifically for northern communities, due to the nature of the economic benefits that occur.

Protected areas fit well with northern life styles, quality of life expectations, the desire to pursue subsistence harvest of wild species, and opportunities for community development, created through land claims agreements. Protected areas are also compatible with a mixed economy dependent on a variety of renewable and non-renewable resource industries, and tourism. Conservation is a key part of any sustainable economy.

Protected
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Economic and demographic trends across North America and internationally are showing that regions with a healthy environment and access to natural attractions are increasingly in demand.

executive summary (continued)

Economic and Demographic Trends

Completion of land claims agreements in the North means that First Nations and communities now have unprecedented opportunities to participate in and manage the development of diverse local and regional economies.

Conservation and protected areas provide new alternatives in economic development. They also create reasons for education and training in areas related to conservation and tourism services. These opportunities will allow more people to stay in communities to pursue their chosen careers.

Economic and demographic trends across North America and internationally are showing that regions, with a healthy environment and access to natural attractions, are increasingly in demand. There are two major factors driving this demand: 1) impressive growth in nature related tourism, and 2) a dramatic increase in people who are moving to and investing in areas with a clean environment and outdoor recreation opportunities.

Economic Benefits of Protected Areas

The economic impact and value of protected areas have been described in a broad range of research reports over the past two decades. We recognize, however, that the core reasons for establishing protected areas are usually not based on economics. Maintenance of ecological integrity, conservation of wildlife habitat and species, or spiritual and cultural values are often the dominant reasons for establishing protected areas.

This report focuses on the following three tangible, market-based, economic benefits associated with protected areas: visitor spending, job creation, and government spending and revenues. Visitor spending on nature related activities represents a large potential export market for northern Canada. In addition, several examples demonstrate that government spending on parks is an excellent way to leverage significant amounts of private spending in the

executive summary (continued)

economy. The report also shows that protected areas have the potential to generate substantial employment across a broad range of skill levels. Finally, government investment in protected areas can have considerable effects on the economy, in turn resulting in increased government tax revenues.

Economic Benefits of a Completed Protected Areas Network in Canada's North

A completed protected areas network would be particularly valuable to the economies of the Yukon and NWT for several reasons.

First, protected areas provide an opportunity for regional economic development where many of the benefits have the potential to stay within rural communities.

Second, they are a good way to help diversify northern economies and decrease the impacts of the boom and bust cycles caused by resource extraction industries.

Third, protected areas protect and preserve tourism assets, ensuring the long-term viability of this growing industry. Protected areas will help the North in its efforts to market its natural attractions by providing prospective residents and visitors with a tangible product and access to natural attractions. And finally, protected areas will support well-established subsistence economies and traditional life styles of the North.

This report focuses on the following three tangible, market-based, economic benefits associated with protected areas: visitor spending, job creation, and government spending and revenues.



photo: marten berkman

recommendations

We recommend that the Government of Yukon, in cooperation with the federal government, First Nations, communities, business and public interest organizations:

- Build and diversify the Yukon's economy by completing and investing in a network of protected areas in the Yukon; using the Yukon Protected Areas Strategy, First Nations Final Agreements, and the provisions of the National Parks Act, Yukon Wildlife Act and Yukon Environment Act.
- Reduce the economic uncertainty for resource industries, and increase the certainty for tourism operators, by completing the protected areas network within 6 years; continue to support the completion of land use plans.
- Invest in research, education, training, business incentives and infrastructure related to implementing and managing a network of protected areas.
- Assess the opportunities to designate protected areas adjacent to Yukon highways, and further, consider the benefits of protected areas as an integral part of travel circle routes.
- Provide support and incentives to communities and First Nations to identify and designate protected area candidates and assist in developing ways to generate local economic benefits from these protected areas.
- Use protected areas as a foundation for marketing the Yukon's wilderness in a way that is consistent with maintaining the ecological integrity of the protected areas, and is supportive of each community's approach to tourism.
- Complete further research on the economic impacts of protected areas, and include the economics of conservation in departmental policies on economic development.
- Fulfill the federal government's land management and conservation obligations by investing in the completion of a protected areas network.

recommendations (continued)

- Commit to the identification and designation of a protected areas network in advance of, or at the same time as, resource dispositions for large-scale timber harvest, mine, oil and gas, and pipeline development.
- Recognize the proven value of Justice Berger's pioneering recommendations on the MacKenzie Valley Pipeline inquiry by completing the protected areas network at the same time as pipeline routes are being assessed, planned or developed; if a pipeline is developed, capitalize on the opportunity to ensure that conservation areas are put in place.
- Invest in a territorial Conservation Trust Fund to supplement existing departmental budgets used to implement the Yukon Protected Areas Strategy. Use the trust fund to help assess, establish and operate territorial protected areas. Use a portion of new tax revenues and royalties from resource development projects, matched by contributions from industry, to create and maintain the fund.



photo: ken madsen

Reasons for Protected Areas

- protect the variety of life –“biological diversity”
- help maintain the ecological integrity of ecosystems
- save our natural and cultural heritage, and our ability to understand ourselves
- protect sacred places, places with spiritual value
- recognize wilderness as the raw material for artists, writers and other foundations of culture
- protect nature’s great works of art – the beauty of the land
- all life has a right to exist, protecting wild species in protected areas respects this intrinsic value
- provide research and education opportunities – with knowledge comes understanding, with understanding comes appreciation, with appreciation comes conservation

introduction

Protecting wilderness results in tangible and significant economic benefits for local communities and regions, as well as Canadians in general. Job creation, increased spending in local economies, and increased government revenues can all occur as a result of protected areas. These benefits are in addition to the underlying economic value of a broad range of ecological services from protected areas, such as clean water and air, health benefits from outdoor recreation, or the harvest of wild plants and animals.

Society also places a high intrinsic and spiritual value on the protection of nature. These values may be outside the realm of conventional economics, but are important to social well-being. Some economists have tried to assess non-market benefits of wilderness, for example through “willingness to pay” models, or the bequest value of protected areas. These measures consistently show that the full economic value of protected areas is far greater than the direct economic impacts of job creation or increased spending

The reasons for creating protected areas in Canada have evolved over time. In the late 19th and early 20th century we preserved the “wonders of nature” and provided opportunities for outdoor recreation. Today, we focus on the conservation of biodiversity and the maintenance of ecological integrity. Spiritual, cultural, intrinsic, and aesthetic reasons for conservation remain very important, but our emphasis has shifted in response to dwindling wildlands worldwide.

The recent Yukon and Northwest Territories protected area strategies are both effective tools for implementing a network of protected areas. These policies are consistent with existing and proposed land claim agreements – and they are recognized across Canada for their progressive approach to conservation and community involvement.

Protected areas in Canada have often had an economic dimension, for example as tourism destinations or

introduction (continued)

instruments of regional economic development. Still, park establishment has sometimes been constrained by a perception that the potential economic value is less than competing land use options, such as resource extraction. New approaches to economic assessment are showing that protected areas should be given equal or even greater consideration next to resource extraction when evaluating ways to generate economic activity and create sustainable communities. For example, if resource development projects were subjected to a full life-cycle assessment, the additional costs, such as decommissioning, reclamation, and mitigation of long-term environmental or social impacts, would present a more complete picture of public investment and liability.

In the early 1970s through the first half of the 1980s, expectations for public funding of parks were high, with the potential for long term community benefits. With declining public investment in park establishment and management across Canada during the last decade, the promised economic benefits of some parks have not materialized as expected. For example, Parks Canada's budget in the Yukon, the annual federal expenditure has fallen from about \$10 million to \$7 million, a reduction of 30% that has meant fewer opportunities for employment and related park services.

Economic trends indicate that in the last few decades industries and investment associated with wilderness areas are growing dramatically while most resource extraction industries have been stable or in decline. This represents a significant opportunity for northern communities due to their abundant wilderness. In fact, as wilderness continues to disappear around the globe at an alarming rate, the wild character of Canada's north is rapidly becoming one of its greatest economic assets.

This report is not an economic analysis. The purpose of the report is to provide a synthesis of the most recent information relating to the economic benefits of protected

More reasons for protected areas

- provide an opportunity for traditional knowledge to flourish through use and appreciation of protected areas
- keep examples of nature intact as scientific benchmarks
- provide for recreation and related health benefits
- protect ecological services such as wetlands, intact watersheds, clean air, wild foods, medicines
- create economic opportunities and jobs through management, research and services
- keep our future options open

Ecological Services and the Economy

Healthy ecosystems provide a complete life support system for all species, including humans. This life support system provides numerous "ecological services" that make life possible and give it meaning. Ecological services also have indirect economic value for communities. For example, a healthy wetlands system can eliminate the need for a costly water filtration plant. The opportunity to hunt, fish or recreate in wild places can also provide health benefits and these can be linked to reduced health care costs. Country food also offsets the cost of purchasing imported food. In the North:

- The air we breathe is filtered and oxygenated by the plants of the boreal forest.
- Wetlands and intact watersheds purify the water we drink.

introduction (continued)

areas. In particular, the report highlights the important implications this information will have for northern communities.

The report focuses on three key areas:

- Economic + demographic trends relating to protected areas
- Economic benefits of protected areas
- Economic implications of a completed protected areas system in Canada's north

This report will look specifically at examples of tangible, market benefits associated with protected areas. These include visitor spending, employment creation, and government expenditures and revenues. As outlined earlier, there are many other benefits from protecting wilderness, including wildlife conservation for subsistence harvest, and the social benefits of recreation. These benefits, although recognized as having great value, are often difficult to quantify and will not be the main focus of this report.

photo: marten berkman



photo: courtesy of pcmb

economic and demographic trends support protected areas creation

Economic and demographic trends across North America are indicating that regions with a healthy environment and access to natural attractions are increasingly in demand.

These trends are the result of a better public understanding of the importance of a healthy environment, a growing part of the work force that can locate anywhere in the world, and an aging population that is spending more of their money on travel and recreation.

Communities that are protecting their wilderness values are capitalizing on these trends and creating sustainable and stable economic activity.

Protection of natural areas and provision of infrastructure so that people can experience these areas, will be critical to attracting business and investment to northern communities.

Nature Related Tourism Leads Growth Opportunities

A recent study commissioned by the Canadian Tourism Commission found that Canada's tourism industry is outpacing the overall economy and generating jobs at twice the pace of other businesses.

More importantly, the study found that the fastest growing sector within the tourism industry was adventure travel and eco-tourism. This is consistent with recent job creation figures for British Columbia's tourism sector.

Ecological services and the economy (continued)

- Floods, droughts, and fires are mitigated by intact ecosystems.

- The climate is tempered & made livable by the effects of intact regional ecosystems.

- Pollination of beneficial plants and dispersal of seeds is assured.

- Beneficial byproducts are provided, such as anti-toxins, nutrients, and traditional medicines.

- A wild, healthy genetic pool of plants and animals is maintained in healthy ecosystems.

Undisturbed natural beauty provides spiritual, intellectual and recreation benefits.

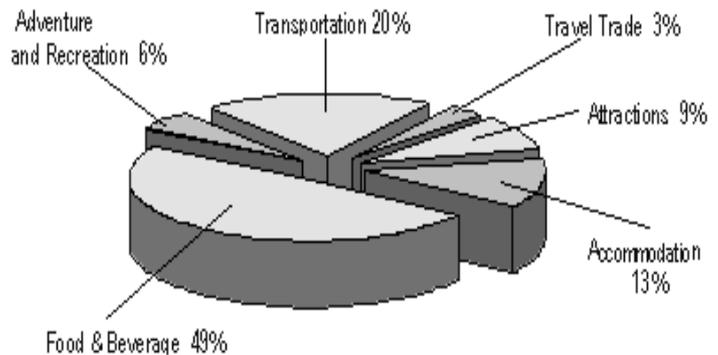
Although recent booms in nature-related tourism and other service sectors are most noticeable in the south, they are rapidly making their way north.

trends (continued)

The BC workforce and tourism-related employment, 1984-1995
(*000s of persons)

Year	BC Workforce		Tourism-Related		
	employment	growth	employment	growth	% of BC workforce
1984	1,262.7		146.9		11.6%
1985	1,296.9	2.7%	156.4	6.5%	12.1%
1986	1,353.8	4.4%	171.1	9.4%	12.6%
1987	1,390.5	2.7%	176.2	3.0%	12.7%
1988	1,444.3	3.9%	165.7	-6.0%	11.5%
1989	1,523.7	5.5%	186.9	12.8%	12.3%
1990	1,561.5	2.5%	196.5	5.1%	12.6%
1991	1,585.2	1.5%	200.6	2.1%	12.7%
1992	1,619.3	2.2%	203.0	1.2%	12.5%
1993	1,665.9	2.9%	192.3	-5.3%	11.5%
1994	1,732.9	4.0%	220.4	14.6%	12.7%
1995	1,761.7	1.7%	219.6	-0.4%	12.5%
1996	1,805.8	2.5%	223.7	1.9%	12.4%
Average	1,538.8		189.2		12.3%

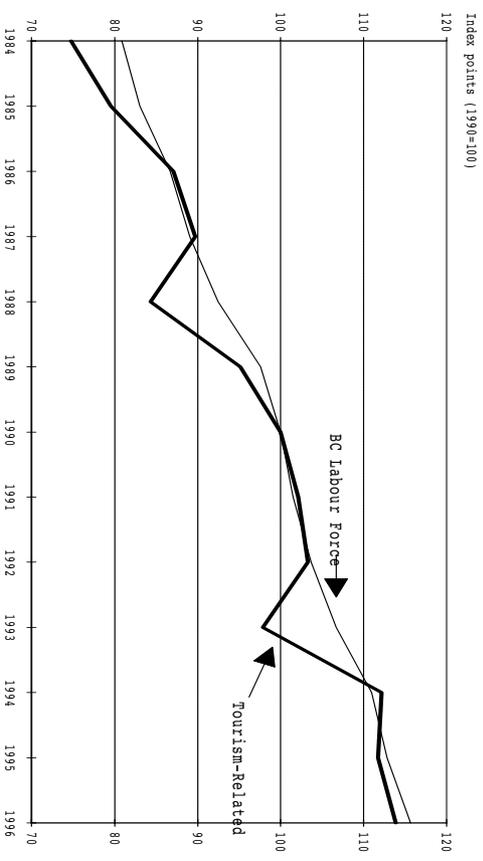
Total Tourism-Related Employment in British Columbia



TOTAL: 235,300
SOURCE: BC STATS 1997

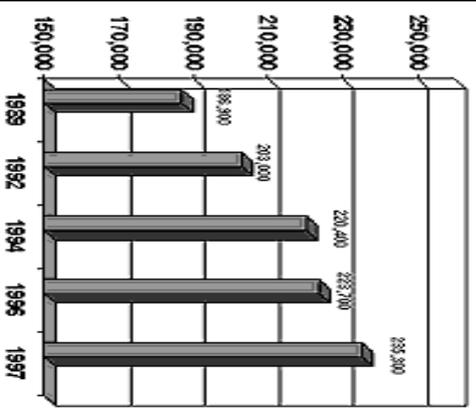
Visitation trends in Canada's north also suggest a significant increase in the demand for nature related experiences.

Since 1990, Growth in Tourism-related Employment has been at the Same Rate as the Entire Provincial Labour Force



Source: Ministry of Small Business, Tourism and Culture, British Columbia, Dec. 8, 1998.

Growth in Tourism-Related Employment 1989 - 1997



Source: BC SIA 1997

trends (continued)

More importantly, the study found that the fastest growing sector within the tourism industry was adventure travel and eco-tourism.

trends (continued)

Tourism is one of the fastest-growing sectors of British Columbia's provincial economy. Between 1996-1997, employment in the eco-tourism industry grew faster than all other sectors increasing by 11% and creating a total of 13,000 jobs.¹

The impressive growth in nature related tourism in recent years suggests that tourists are increasingly choosing travel experiences where they can access natural attractions. This is promising for northern communities that have an abundance of these features. In fact, during 1999 the single most popular activity for visitors to Canada's Yukon was visiting natural attractions.²

41% of visitors to the territory in that same year participated in one of the following activities: visiting natural attractions, wildlife watching, hiking, and guided walks or tours.

Visitation trends in Canada's north also suggest a significant increase in the demand for nature related experiences. The 1999 visitation figures for the Yukon saw a 13% increase over 1994 with several record years in between. Part of this increase can be attributed to vigorous promotion of centennial celebrations. In 1999, 74% of visitors came from the U.S., 15% from Canada, and 11% from overseas. Overseas visitors, however, increased a surprising 36% over the five years between studies, a significant indication that the Yukon is becoming an internationally renowned tourism destination. In several of the past five years the Yukon has outperformed the national average in growth from both European and U.S. markets.

¹ B.C. Ministry of Small Business, Tourism and Culture, *News Release, backgrounder, December 1998*

² Yukon Department of Tourism and Yukon Bureau of Statistics, *1999 Yukon Visitor Exit Survey, May 2000*

Entrepreneurs and Retirees Choosing to Live Near Scenery and Wildlife

Recent studies of the Rocky Mountain region stretching from Wyoming to the Yukon demonstrate that an area's natural beauty and the health of its environment are important economic assets. A 1997 study of economic and demographic conditions in the region shows that economic growth is no longer fueled by resource extraction industries.³ Instead, business owners, retirees and entrepreneurs who have decided that living close to beautiful scenery and wildlife is important to their quality of life, are stimulating growth.

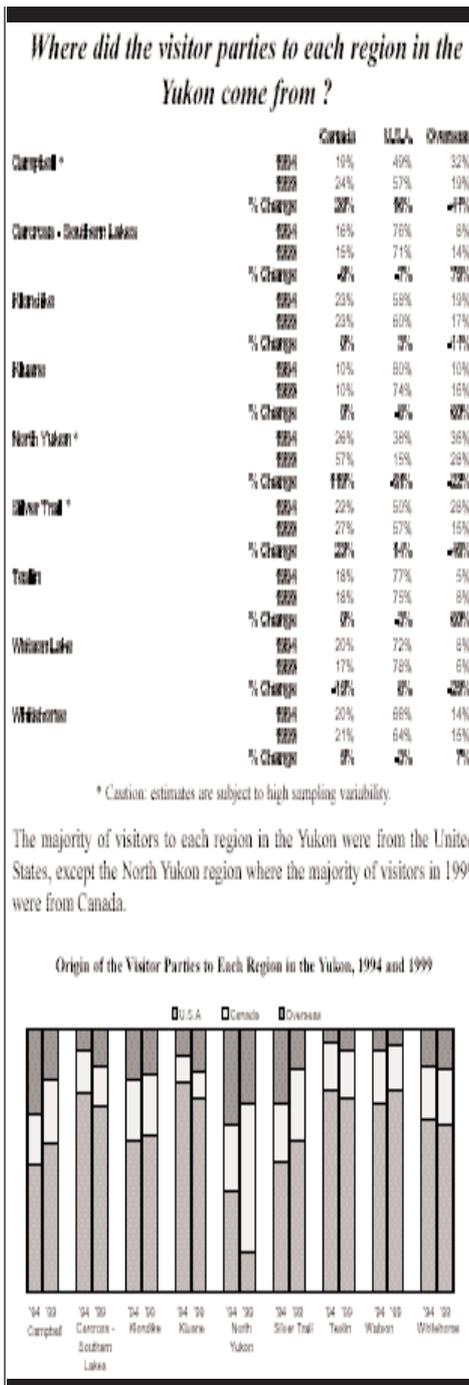
In the U.S. portion of the Rockies the study found that the largest source of income was from the service and professional industries. Together, these industries generated 20 times the income earned in farming and 11 times the income earned in mining, oil and gas, and forestry combined. The second largest source of income was from non-labour sources, including money earned from past investments and retirement income.

In the Alberta portion of the Rocky Mountains, the study found that the fastest growing employment category was also in the service sector. Over 65,000 new jobs were created in the region between 1986 and 1991, 99 percent of which were not related to resource extraction.

In B.C., communities along the east side of the Rockies lost 470 jobs in the resource extraction sectors during the same five years, while service, trade and construction sectors collectively added 19,000 jobs.

Contrary to popular belief, the decline in resource extraction industries did not result in a decline in average income.

³ Ray Rasker and Ben Alexander, *Economic Trends in the Yellowstone to Yukon Region: A Synopsis*, The Sonoran Institute, October 1997



kluane national park

- 17 year-round employees
- 19 seasonal employees
- all employees based in Haines Junction
- jobs include: wardens, maintenance crew, park interpreters

trends (continued)

The facts presented in this study help to dispel the assumption that resource extraction is the driving economic force for communities along the Rocky Mountains.

The study also shows that people are increasingly choosing to live in places where the environment is healthy and outdoor recreation is accessible. More and more people can locate anywhere in the world to do their work and a growing number of baby boomers are spending their retirement income on recreation and travel.

The study also warns, however, that this new form of growth taking place in the communities along the Rockies, presents a whole new set of environmental challenges.

If not managed properly, problems such as urban sprawl and road development can lead to environmental impacts similar to those caused by resource extraction industries.

The increase in the number of backcountry visitors in protected areas and wilderness near mountain communities can also lead to significant environmental effects such as displacement of wildlife or a decline in water quality. These observations are important lessons for the North and underscore the need to manage land uses, tourism and community growth with a clear eye on conservation.

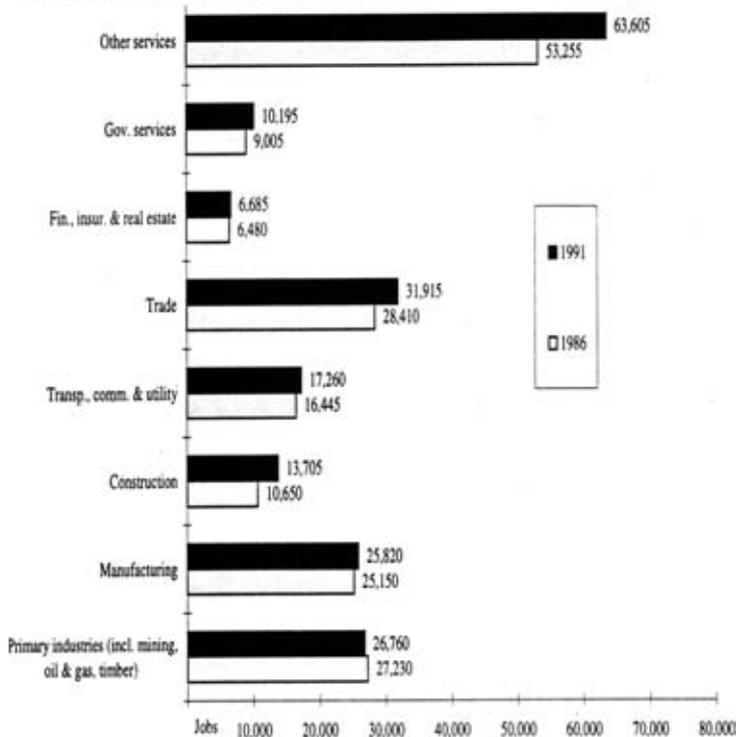
The study's main conclusion is that environmental protection, including the creation of protected areas, is good for business. Not surprisingly, several of the most prosperous communities in the mountain regions of North America are adjacent to national or provincial/state parks. The resource industry role in the northern economy may change, but will remain important.

Industrial land uses in the greater ecosystems around protected lands will also continue. With improved partnership arrangements, the ecological integrity goals of parks will be better achieved. Industry seeks security of tenure and a stable investment climate.

trends (continued)

Industry also seeks an efficient and timely permitting process to ensure that investment dollars are wisely spent. To be successful, co-operative partnerships between industry, communities and parks must consider both economics and ecology.

Changes in Employment by Industry, 1986 and 1991 (latest figures), Combined Census Divisions for the British Columbia Portion of the Yellowstone to Yukon Region.



Source: Statistics Canada.
1986 & 1991 Census Industry Canada, Ottawa, Ontario

Industrial land uses in the greater ecosystems around protected lands will also continue. With improved partnership arrangements, the ecological integrity goals of parks will be better achieved. Industry seeks security of tenure and a stable investment climate.

The economic and community benefits of protected areas near northern communities in Western Canada could be based on a wide range of opportunities including:

long term economic and social benefits from maintaining regional ecological integrity and water quality;

creation of direct management, research and operations positions related to protected areas;

contributions to schools, provision of role models for young people, and benefits to community volunteer work resulting from the presence of full time professional conservation staff in a community;

economic benefits of protected areas

This section looks at three tangible, market-based economic benefits associated with protected areas: visitor spending, job creation, and government spending and revenues. New approaches to economic evaluation and a growing body of data on the people accessing protected areas are helping to demonstrate that their market benefits are both real and significant. Protected areas also contribute to a wide range of non-market benefits including clean water, biodiversity, the social welfare benefits of recreation, and education and research. Although there is much agreement that these benefits have real impacts on our economy, they are difficult to quantify given the limitations of our current economic models.

It is important to note that the market benefits generated by new protected areas in the North will depend on initial public investment, the location and design of the park or conservation area, the supporting infrastructure provided, and the management approaches used. The benefits to communities will depend on the extent to which the planning and management of the protected area involves community input, employment and entrepreneurial opportunities. The economic viability of a protected area will depend on whether ecosystem health is maintained so that residents and visitors can experience and benefit from the wildlife, plants and clear water for which the area was conserved. The continued ability of local people to carry on their traditional land uses and lifestyle will also affect the tangible benefits of protected areas.

Protected areas may also be created strictly to preserve important ecological or cultural values and not provide direct tourism opportunities. However, these areas still make an economic contribution by ensuring healthy wildlife populations and allowing for economic opportunities associated with hunting, fishing, and wildlife viewing in the

economic benefits of protected areas (continued)

surrounding areas. Most protected areas have opportunities for direct visitor participation and this section of the report outlines the resulting economic benefits.

Visitor Spending

Visitor spending from nature related tourism represents a huge export market for Canada. A 1996 survey by the U.S. Census Bureau revealed that during that year 1.1 million U.S. visitors spent \$383 million on fishing and \$322 million on wildlife viewing while in Canada.⁴ Although not all of this spending can be attributed directly to protected areas, parks are often the places that tourists participate in these activities because of the associated services and amenities. Visitor spending in protected areas by residents of a territory or province also has important regional benefits by re-distributing wealth from population centers to smaller and more remote communities.

A 1996 study by Coopers and Lybrand Consulting for the B.C. Ministry of Environment Lands and Parks found that visitors to B.C. provincial parks spent \$417 million in 1994.⁵ More than a third of these expenditures were made by out-of-province residents, making the provincial parks system equivalent to a major export industry. The study also found that government investment in parks was a great way to leverage private spending in the B.C. economy. For each dollar spent on park operations, roughly 9 dollars were spent by visitors to parks.

⁴Environment Canada, *The Importance of Nature to Canadians: The Economic Significance of Nature-Related Activities*, 2000

⁵Coopers and Lybrand Consulting, *Current and Future Benefits of British Columbia Parks*, Report for the B.C. Ministry of Environment, Lands and Parks, April 1996

Economic and community benefits of protected areas near northern communities in Western Canada (continued)

maintenance of hunting and fishing opportunities that contribute to local subsistence economies and lifestyles;

maintenance of hunting and fishing opportunities around protected areas resulting from the protected area acting as a seed area for wildlife dispersal;

continuation of trapping as a renewable and sustainable economic activity;

wildlife and northern resource management training, research and education;

cultural and archeological research;

Economic and community benefits of protected areas near northern communities in Western Canada

(continued)

cultural camps and centers;
training and education opportunities;

creation of local, national and international wilderness, wild river, northern mountain and boreal forest destinations;

development of nature and culture based tourism businesses in local and gateway communities;

creation of unique wildlife viewing opportunities, for example in northern wetlands or pristine large mammal habitats;

maintenance of guide-out-fitting with possibilities to expand into eco-tourism operations;

economic benefits of protected areas (continued)

A 1995 study done by the Government of the NWT (GNWT) on the economic impacts of parks and tourists facilities demonstrated governments in the North can also leverage significant visitor spending.⁶ For every dollar spent by the GNWT to operate park facilities in 1993, tourists were leaving behind 3.5 dollars. Most importantly, the study concluded that the improved and expanded park and tourism facilities in the territory were attracting more tourists to the territory and encouraging them to remain longer.



photo:
karsten
heuer

A 1994 study carried out by an independent economist for CPAWS-Yukon found that completion of a territorial protected areas network would result in significant economic impacts and benefits.⁷ These impacts would flow from increased visitor spending and result in an annual increase to Yukon's Gross Domestic Product (GDP) of between \$8.8 million and \$17.4 million. The mid-range scenario of the analysis concluded that the territorial protected areas network would yield an increase of \$12.7 million in GDP.

⁶Government of the NWT Standing Committee on Finance, *Economic Impact, Cost and Benefit of Parks and Tourism Facilities*, 1995.

⁷CPAWS-Yukon, *Economic Analysis of Protected Areas: Methods and Yukon Impact Analysis*, 1994.

⁸United States National Parks and Wildlife Service, *The Money Generation Model*, 1990.

economic benefits of protected areas (continued)

This analysis did not include national parks and historic sites which were estimated to contribute close to \$11 million to the GDP at the time.

In addition to the direct economic benefits of spending by visitors to protected areas, there are also significant indirect benefits to the economy.

These indirect benefits occur when a chain of local transactions is necessary to provide an end product or service to visitors. For example, food products may undergo many stages of preparation before the tourist actually buys the food. These indirect benefits also occur when wages earned by people providing services to visitors re-spend their wages in the local economy.

These indirect benefits are often defined in terms of their “multiplier effect”. The multiplier is a way of taking direct spending and multiplying it to get a measure of the overall impact on the economy. The U.S. National Parks and Wildlife Service has developed a model called the Money Generation Model (MGM) to estimate the local economic impact of protected areas.⁸

The model suggests that the multiplier for protected areas averages 2. This means that for every dollar spent by visitors to protected areas, the total benefit to the economy is 2 dollars. Although this number varies with how much the products and services purchased by visitors are generated locally, this multiplier is relatively high compared to the multiplier for industrial sectors.

This is because products offered by the service sectors, e.g. food and accommodation, require significant input from the local economy such as construction, transportation, and food preparation.

Parks Canada also uses economic models to predict multiplier effects of national parks.

Economic and community benefits of protected areas near northern communities in Western Canada (continued)

development of related
community tourism
services and retail, or
transportation businesses;

opportunities to create a
“watchman” program,
similar to the program at
Gwaii Haanas, where
individuals and families
could spend time on the
land monitoring use,
carrying out research, or
providing interpretation
services to visitors.

The B.C.
provincial
parks
system
employs
people on
the same
scale as a
mid-size
mega
project or
a large
industrial
operation.

economic benefits of protected areas (continued)

Job Creation

There is a wide range of direct employment opportunities generated by protected areas. Federal, provincial and territorial governments hire a significant number of staff for park management, operations and visitor services. In the Yukon and NWT, Parks Canada employs approximately 155 full-time equivalents and spends around \$7 million in salaries and wages.⁹

The assessment, planning and facility construction phases of protected areas also offer diverse employment opportunities. Many of these jobs are highly skilled in nature including research and survey work. Employment opportunities for local people include monitoring, documentation of local history, construction and maintenance. It is also important to note that protected areas can help contribute to the continuation of a subsistence economy, which is still important in many northern communities.

Parks also generate jobs in tourism and other service industries that provide food, accommodation, transportation and guiding or nature interpretation to people visiting protected areas. As mentioned earlier, visitor spending associated with parks also creates indirect jobs such as construction and manufacturing through demand for local products and services.

Interestingly, the study by the Government of the NWT found that every job directly supported by the government in 1993, resulted in 1.7 jobs after factoring in visitor spending. Coopers and Lybrand Consultants estimated that in 1994 the B.C. provincial parks system created employment for a total of about 9,500 people.

⁹Gordon Hamre, Parks Canada, Yellowknife, NT, *Personal Conversation*, September 2000.

economic benefits of protected areas (continued)

5,400 of these jobs came from direct spending (visitor and government) and 4,100 were dispersed throughout the economy from indirect expenditures associated with parks.

The Coopers and Lybrand study points out that the B.C. provincial parks system employs people on the same scale as a mid-size mega project or a large industrial operation.

The study also adds that when you take into consideration the considerable subsidies that are sometimes offered to attract large industrial employers into a region, the importance of the parks system as a local employer becomes clear.

photo: karsten heuer



nahanni national park

- 1994 study of nahanni visitors indicates they spent \$1.4m locally
- 7 fulltime employees
- 6 seasonal employees
- nahanni's annual payroll is approx. \$600,000.
- yearly operations and maintenance budget of \$250,000 is spent locally

Government spending on protected areas can be an effective way to stimulate private spending in the economy.

economic benefits of protected areas (continued)

Furthermore, if protected areas are managed to maintain ecological integrity there is no long-term public liability for monitoring, clean up or restoration costs often associated with resource extraction.

Parks related employment also contributes significantly to economic diversification and provides a buffer to the boom and bust cycles of resource extraction industries. This is especially important for smaller northern economies that are particularly susceptible to large employer shut downs. With the decline of the mining industry in the Yukon, tourism is now the largest private sector employer. If not for the Yukon's internationally renowned reputation for undeveloped wilderness, the territory would likely be much worse off. By protecting wilderness, a major source of employment will also be protected indefinitely. Another benefit of jobs created by protected areas is that many of the jobs are based in rural communities. For example, Parks Canada has offices in Dawson, Haines Junction and Old Crow in the Yukon, and Inuvik, Sachs Harbour, Paulatuk, Fort Smith and Fort Simpson in the NWT. Tourism jobs are also particularly important for youth and can help provide meaningful employment opportunities for young people, allowing them to remain in their communities.

The Impact of Land Claims

In the Yukon, many Final Agreements provide for Special Management Areas or other types of protected areas. First Nations have a variety of reasons for establishing protected areas in their traditional territories, but most of the agreements include provisions for economic opportunities and other benefits related to protected areas. These may include rights of first refusal on contracting or concessions, a percentage allocation of guiding or tourism licenses, or other affirmative measures. These conditions will help ensure that First Nations and local communities benefit from any economic dividends that protected areas may provide. In the case of national parks, impact and benefit agreements are negotiated as part of the park

economic benefits of protected areas (continued)

establishment process, over and above the support for co-management boards or other management or advisory bodies. Aboriginal harvesting, including hunting, fishing and trapping is guaranteed in all protected areas through the provisions of the Umbrella Final Agreement. These provisions can have a significant and positive economic and social impact on First Nations.

Government Spending and Revenues

According to the federal government, the Canadian economy “is an economy in which rural Canada also benefits from value-added activity, environmentally astute land management, and new skills and job opportunities.” (Federal Speech From the Throne, October 1999) This vision is entirely consistent with establishing new protected areas and maintaining their ecological integrity.

Public investment in protected area establishment, facilities and management is essential to realize the potential community and regional economic benefits. Government spending on protected areas can be an effective way to stimulate private spending in the economy. In 1994, the \$35 million B.C. provincial parks budget was less than ten percent of the total direct spending generated by the park system.¹⁰ Federal government spending on national parks in the North also represents an important economic driver for the region.

In 1999, total Parks Canada spending on operations in the Yukon and NWT was approximately \$14 million.¹¹ About \$7 million of those direct federal government expenditures were spent in the Yukon. If federal government spending in the Yukon is even one quarter as effective at generating visitor spending as the B.C. parks system, the total direct spending caused by national parks in the Yukon in 1999

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¹⁰Coopers and Lybrand Consulting.

¹¹Gordon Hamre.

A more recent and growing economic contribution related to protected areas is made by the non-government (ngo) not-for-profit sector, such as environmental non-government organizations.

economic benefits of protected areas (continued)

would be twice as much as those reported to have been spent on mining in the territory during that same year.¹² The benefits of federal government spending on parks in the North are also widely distributed throughout rural communities.

Parks can also generate significant revenues for government. Parks often show up in government accounting systems as a "cost". Tax revenues generated from economic transactions such as visitor spending in parks then go into general revenues and are often not attributed back to the parks system. Coopers and Lybrand found that the B.C. government received about \$42 million in tax revenues from the operation of its parks system in 1994, more than enough to cover the \$35 million required to fund it. Without spending any money, the federal government was estimated to receive almost \$130 million from the economic impacts of the B.C. parks system in that same year.

¹²Total spending on mining in the Yukon in 1999 was \$9.5 million. If, for every dollar Parks Canada spent in the Yukon, it generated 2.25 dollars of visitor spending (this is less than in BC or NWT) the result would be \$13.5m in visitor spending. Total direct spending would be \$6m by Parks Canada plus \$13.5m by visitors for a total of \$19.5m.



photos: karsten heuer

economic benefits of protected areas (continued)

Non-government Organizations

A more recent and growing economic contribution related to protected areas is made by the non-government (NGO), not-for-profit sector, such as environmental non-government organizations.

The NGO sector, in general, is growing across North America.

It relies on the public interest in supporting conservation as well as a long tradition of conservation philanthropy. NGOs are part of a service sector that provides research, communications, training and public education on protected areas and other conservation issues.

These organizations provide direct employment in Canada's north, but also support a variety of local conservation and protected area projects in smaller communities.

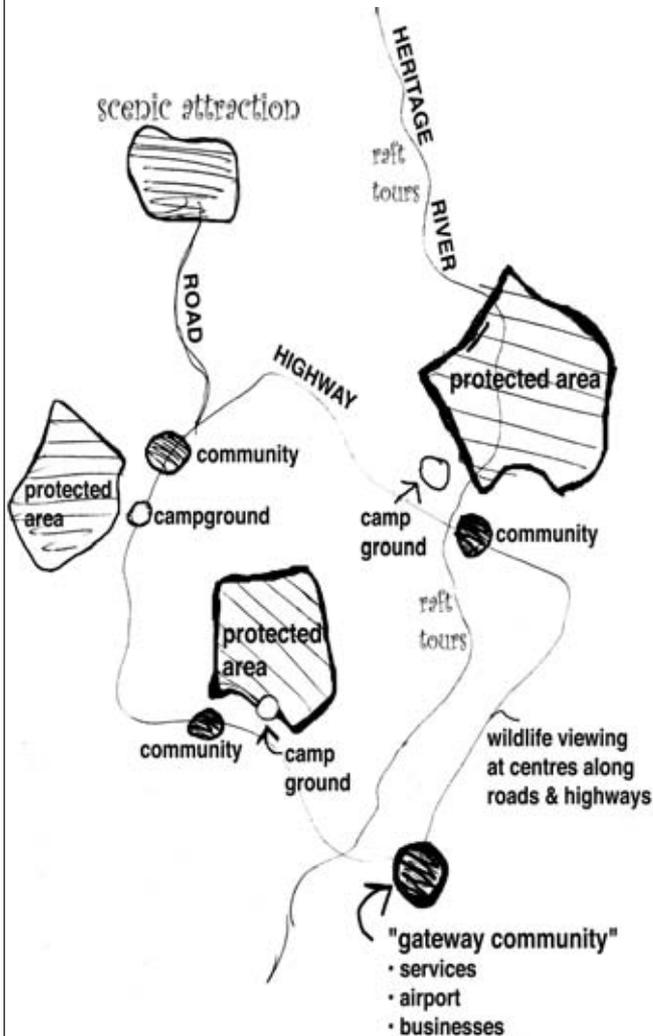
photo: marten berkman



A completed protected areas system would generate employment opportunities in rural areas all over the north. This would help to reduce the problem of have and have not communities created by shorter-term resource extraction projects.

Marketing the North's Natural Attractions

If part of the Yukon's protected area network is planned adjacent to highways, travel loop routes with protected areas as features could be developed.



benefits of a completed parks system in Canada's north

This section of the report explores some of the key benefits that a completed protected areas system would provide for northern communities. On the ground, completing northern protected areas systems would involve implementation of Final Agreements with First Nations, the Yukon and NWT protected areas strategies, as well as the completion of the National Parks system in northern Canada. Conservation tools would also include wildlife habitat protection areas and special management zones designated through land use planning or wildlife management legislation.

There are several reasons why a completed protected areas system would be particularly valuable to the economies of the Yukon & NWT:

- community and regional economic development
- economic diversification and improved stability
- protection and preservation of community and tourism assets
- improved ability to market the North's natural attractions, and
- re-distribution of the economic benefits of government investment in conservation and tourism to small and sometimes remote communities.

benefits of a completed
park system in the north
(continued)

Community and Regional Economic Development

A completed protected areas system would generate employment opportunities in rural areas all over the North. This would help to reduce the problem of have and have not communities created by shorter-term resource extraction projects. More stable employment opportunities in rural communities could help ease some of the social impacts associated with “one industry towns” and by doing so, reduce reliance on government social programs.

Experience shows that community-based job creation related to protected areas takes time, since much of the economic spin-off from the service sector relies on entrepreneurial effort. Adequate government investment in training, community capacity building and infrastructure is required to realize these local economic benefits. In smaller communities, even a modest number of new jobs related to protected areas can have a significant and lasting local economic impact. The new Tombstone Territorial Park established in the central Yukon is expected to generate significant economic benefits to Dawson City, as well as provide economic opportunities for the Tr'on dek Hwech'in First Nation.

Government studies estimate that up to 50 seasonal jobs related to the park could be created, over and above full time management jobs.

Economic Diversification

During the last century, the economies of the North have depended largely on resource extraction industries. The subsistence and trapping economies that existed before are still important in many communities but sustain a smaller number of jobs.

For
example,
community
watershed
protection
areas that
ensure a
clean water
supply,
along with
intact fish
and
wildlife
habitat can
provide
long term
benefits to
residents.

The underlying ecological goals of protected areas should guide any marketing strategy; marketing should complement, not interfere with these goals or the aspirations of communities to manage the pace of tourism development.

benefits of a completed park system in the north (continued)

As a result of this reliance on the resource extraction industries, northern communities have been particularly susceptible to boom and bust economic cycles and short-term job opportunities in a few communities. Service industries associated with protected areas such as tourism help to provide a stabilizing effect for the economy. The increased number of visitors to the North from the U.S. and overseas also suggests that short of a global recession, tourism dollars will continue to flow from year to year.

Protection and Preservation of Community and Tourism Assets

The guiding principles of the Yukon Tourism Strategy include respect for the environment and sustainable communities.¹³ Consistent with these principles the strategy identifies two key objectives that relate to protected areas:

- 1) the need to develop a high quality tourism experience by supporting new public infrastructure, and
- 2) the need to sustain tourism for tomorrow by preserving and protecting tourism assets. The creation of protected areas clearly supports these objectives. In fact, not protecting ecologically important areas, so that wildlife and natural systems can continue to thrive, will undermine the long-term viability of this growing industry.

Protected areas also serve to conserve a community's natural assets, resulting in social, health and economic benefits. For example, community watershed protection areas that ensure a clean water supply, along with intact fish and wildlife habitat can provide long term benefits to residents. Some watershed protection zones could also

¹³Yukon Department of Tourism, *Draft Yukon Tourism Strategy, Guidelines for the Strategic Development of Tourism in the Yukon*, November 1999.

benefits of a completed park system in the north (continued)

include land uses such as small scale timber harvesting, provided that water quality, wildlife conservation and creation goals were also met.

Marketing the North's Natural Attractions

The underlying ecological goals of protected areas should guide any marketing strategy; marketing should complement, not interfere with these goals or the aspirations of communities to manage the pace of tourism development.

However, having a completed protected areas system would allow the Yukon and NWT to more effectively market the North as a travel destination. Protected areas are a tangible product that tourists can plan around. Simply having wilderness does not necessarily provide visitors with an accessible product. Where appropriate, protected areas can provide the infrastructure which visitors know will allow them to access natural attractions. This is particularly important for the North where most visitors are choosing to visit the area and are not just passing through. Nahanni and Kluane National Parks, and Chilkoot National Historic Park are excellent examples of northern travel destinations that have achieved national and international recognition.

In cases where tourists are simply driving through, such as the large number of Americans who drive through the Yukon on their way to Alaska, protected areas could encourage them to spend more of their time and money in the territory. Currently, the only protected area easily accessible from the Alaska Highway is Kluane National Park, which is only a few hundred kilometers before tourists reach the Alaska border.

If part of the Yukon's protected area network is planned adjacent to highways, travel loop routes with protected areas as features could be developed.

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benefits of a completed park system in the north (continued)

For example, if protected areas were designated along the Alaska Highway, such as at Coal River, Jennings Lake, Wolf Lake, Tarfu-Snafu Lakes and Kusawa Lakes, there would be reasons for tourists to stop in communities and take more time passing through the Yukon. If protected areas were designated along the Robert Campbell highway, for example at Frances Lake or along the Canol Road, visitors could be encouraged to use circle tour routes. This strategy has worked successfully in parts of the southwest United States.

The implementation of this type of marketing strategy must reflect the local community's wishes with respect to the volume of visitors that would be appropriate in each protected area.

Through careful planning, the majority of visitor use could be directed to limited areas next to highways – such as campgrounds and short loop trails.

This strategy would ensure that all but the very edge of the protected area remains in a pristine state. Local use of protected areas would also remain unchanged with this approach. Protected area management plans would determine whether or not backcountry trails or other facilities are appropriate.

The examples and information contained in this report strongly support the economic case for a completed protected areas network in western Canada's north. Economic and demographic trends are causing investment to grow rapidly in areas with a healthy environment and access to natural attractions, and this investment appears to be moving north. Protected areas also provide benefits that are particularly important for northern economies such as community and regional development, economic diversification, and increased attraction of tourists.

conclusion and policy implications

By moving quickly to complete protected areas, the Yukon and NWT will be able to capitalize on these benefits and create a more stable investment climate for resource industries. This will require both financial and political support, from the federal and territorial governments, to get moving on the planning and development stages of the territories' protected areas networks. It will also require increased efforts on the part of governments to work with rural communities to help them participate in the planning and development of protected areas and ensure that they benefit appropriately.

The protection of the North's wilderness resources represents an economic opportunity that is too valuable to pass up. The time to take advantage of this opportunity is now.

We recommend that the Government of Yukon, in cooperation with the federal government, First Nations, communities, business and public interest organizations:

- Build and diversify the Yukon's economy by completing and investing in a network of protected areas in the Yukon; using the Yukon Protected Areas Strategy, First Nations Final Agreements, and the provisions of the National Parks Act, Yukon Wildlife Act and Yukon Environment Act.
- Reduce the economic uncertainty for resource industries, and increase the certainty for tourism operators, by completing the protected areas network within 6 years; continue to support the completion of land use plans.
- Invest in research, education, training, business incentives and infrastructure related to implementing and managing a network of protected areas.

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herschel island national park

- 1 to 2
year-round
employees
in Inuvik
- 4 seasonal
employees
hired from
Aklavik

conclusion and policy implications (continued)

- Assess the opportunities to designate protected areas adjacent to Yukon highways, and consider the benefits of protected areas as an integral part of travel circle routes.
- Provide support and incentives to communities and First Nations to identify and designate protected area candidates and assist in developing ways to generate local economic benefits from these protected areas.
- Use protected areas as a foundation for marketing the Yukon's wilderness in a way that is consistent with maintaining the ecological integrity of the protected areas, and is supportive of each community's approach to tourism.
- Complete further research on the economic impacts of protected areas, and include the economics of conservation in departmental policies on economic development.
- Request the federal government to fulfill its land management and conservation obligations by investing in the completion of a protected areas network.
- Commit to the identification and designation of a protected areas network in advance of or at the same time as resource dispositions for large-scale timber harvest or oil and gas development.
- Recognize the proven value of Justice Berger's pioneering recommendations on the MacKenzie Valley Pipeline inquiry by completing the protected areas network at the same time as pipeline routes are being assessed, planned & developed; if a pipeline is developed, capitalize on the opportunity to ensure that conservation areas are put in place.
- Invest in a territorial Conservation Trust Fund to supplement existing departmental budgets used to implement the Yukon or NWT Protected Areas Strategy. Use the trust fund to help assess, establish and operate territorial protected areas. Use a portion of new tax revenues and royalties from new resource development projects, matched by contributions from industry, to create and maintain the fund.

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In smaller communities, even a modest number of new jobs related to protected areas can have a significant and lasting local economic impact.



photo: marten berkman

