

The Record

A growing debate over B.C. resources

[Keith Baldrey](#) / Royal City Record

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So is the B.C. economy driven by the natural resource sector or not?

You'll be hearing conflicting answers to that question in the months and years ahead, as debate begins to swirl on whether to build various mega-projects, but the issue goes to the heart of where this province's economy is headed.

Last week, two groups released what appeared to be contradictory reports on the importance of the energy industry to B.C.'s overall economic health. A closer look, however, shows there may be more common ground between the two views than first thought.

One group, called the Conversations for Responsible Economic Development (CRED), published a study that questions the premise that B.C. is a resource-based province. Using a variety of government statistics, it makes the case that three-quarters of our economic activity is, in fact, derived from the service industry.

On the other hand, CRED argues just 11 per cent of the province's Gross Domestic Product comes from the energy sector. The organization, whose philosophy seems to tilt towards greenish, small business-oriented values, is trying to make the point that industries like mining, forestry and energy are dwarfed by real estate, retail and various service industries when it comes to having an impact on the economy.

Another organization, calling itself "British Columbians for Prosperity," put out its own report that claims building those two pipelines from Alberta's oil sands – the Northern Gateway and Kinder Morgan pipelines – would create almost 10,000 jobs and generate more than \$11 billion in economic activity.

Two reports – two completely different takes on a key part of our economy. So who's correct?

Well, both perhaps.

The common link here is the construction industry.

Both CRED and the Prosperity group agree that the construction industry plays a vital role in building B.C.'s economy. What the CRED report does not do is link construction jobs to the huge economic spinoffs associated with various energy projects that are on the drawing board in this province.

For example, B.C. Hydro estimates a staggering 33,000 jobs would be created in the construction and development phase of the Site C dam project, as it makes its case for the mega-project to go ahead.

The government estimates that if five liquefied natural gas plants are built in the northwest (an admittedly ambitious and perhaps unrealistic plan) that 39,000 construction jobs would be created.

Throw in those pipeline job estimates, and we could be looking at a whopping 80,000 construction jobs – new jobs – being created over the next decade. Now, let's say those estimates are much too high. But even if half those jobs come to fruition, they will have a substantial impact on B.C.'s economy.

And we should hope at least some of those jobs do indeed materialize. If they don't, a lot of young people are going to find themselves stuck in dead-end jobs (like many in the service sector) that don't pay much and make living in an expensive area, like Metro Vancouver, almost impossible.

Job creation has been stagnant in this province for several years now, despite the B.C. Liberal government's lofty B.C. Jobs Plan.

While we may not presently be as reliant on the natural resource sector as is commonly perceived, it may be in our economic self-interest to ensure we are in the future.

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NDP MLA Jenny Kwan is on an unpaid leave of absence as she tries to come to grips with a spending scandal that has wounded her credibility, and I suspect there are a few New Democrats who are secretly smiling about this. Kwan, you'll recall, was a prime instigator of the coup that forced Carole James out as the NDP leader, and a number of party folks have never forgiven her for that. Now the veteran MLA has had to dip into her own pocket and pay back almost \$35,000 to the Portland Hotel Society for spending incurred by her estranged husband and herself on several trips out of the country.

It will be interesting to see how Kwan fares in the legislature when she returns from her leave. She's known for castigating the B.C. Liberal government at every turn when it comes to questionable spending or not doing enough to combat poverty.

But now, I suspect the government benches will respond with a fair amount of heckling the next time Kwan tries to dress them down.

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