



Original article

Construction-phase extended commuting and uneven regional development: Work, households and communities in Newfoundland and Labrador's new extractive economy

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ABSTRACT

Construction activity is intrinsic to the development of extractive industries infrastructure, requiring significant capital investment and large and varied workforces. The transience and temporary nature of this work, and the fact that local labour supplies do not meet demands in many resource-rich regions, have necessitated the development of a range of mobile labour practices. The specificity of such arrangements for construction phases remains underexplored. In particular, given that jobs requiring long commutes are framed as regional “industrial benefits” in resource development policy, the question of who can access these jobs is important. Focusing on Newfoundland and Labrador's construction workforce, this paper seeks to answer this question by reporting findings from qualitative research on the social and economic impacts of construction industry worker engagements with long-distance commuting in relation to industrial benefits objectives. Situating construction labour as a key upstream element in the Global Production Network (GPN) of the volatile Canadian resource sector, the article considers the logics that underpin participation in this type of employment. Building on recent work that develops a connection between long-distance commuting, global production and regional development, the article goes on to reveal the gendered household-level dynamics of these arrangements.

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1. Introduction

Construction activity is an important but underexplored part of the extractive industries. All extraction requires infrastructure that must be designed and built, assembled or fabricated. Resource economies have expanded rapidly over the last decade in a fashion typical of boom and bust cycles, employing many people in construction-phase work. As research in Australia, Canada and elsewhere has shown, new forms of work force organization and management have developed and evolved in mining and oil and gas operations in peripheral locations to complement economic imperatives. A central feature of labour arrangements in the extractive industries is long-distance commuting. Storey (this issue) describes a “commute model”, involving sourcing workers from a distance, long working days and rotations, paid travel, and on- or near-site accommodations. The most conspicuous form of this model is “Fly-In, Fly-Out” (FIFO), but similar principles apply with the use of ground transport, including buses (BIBO) and

driving in personal or company-owned vehicles (DIDO). These arrangements have replaced the “company town” model of an employer-developed settlement. The reasons for this shift are economic and managerial; supporting long distance commutes is cheaper, offers greater flexibility and carries less financial risk than creating towns for workers (Peck, 2013; p. 249). There may be costs, however; a growing body of research investigates the impacts of commute arrangements in source and host communities (Storey, 2001; Haslam McKenzie and Hoath, 2014; Markey et al., 2015). One aspect of this phenomenon that has of yet received little attention is how different phases of extractive projects may involve different types of mobility and variations of this model, with different implications for employers, workers and communities. This article investigates a particular form of the commute model that exists in construction phases of large extractive projects. As a case study it considers Newfoundland and Labrador, a Canadian province that is the location of several current and recent extractive industries construction mega-projects for off-shore oil and gas, energy and mining. One of the most tangible and immediate effects of these large-scale extractive projects is construction-phase employment involving long distance commuting.

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The principal concern of this article is to highlight the implications of the construction-phase commute model for regional development by investigating how it impacts on households and families. Opportunities and fortunes at this micro-scale foreground processes at the provincial scale in the context of ongoing efforts to develop a regional economy that, until recently, lagged well behind other parts of Canada. Newfoundland and Labrador, like other semi-peripheral resource regions, has been subject to various interventions on the part of state actors to establish broad-based, sustainable wealth creation. These efforts have focused on a number of areas including enticing firms to invest in the development of resource industries in ways that create revenue for the government, but also jobs. Indeed, construction-phase employment and, by extension, accompanying commute arrangements, are the result of a process of negotiation between a number of actors, including firms, labour, and state agencies. Jobs for residents of the province, and related skill and capacity development, are an “industrial benefit” representing a concession granted by capital in exchange for the right to extract and sell a resource under the territorial jurisdiction of the state. In part due to intense national competition for labour in the industrial construction sector, collective agreements for work on major projects offer comparatively high wages and travel-related compensation. However, given the cyclical nature of the resource economy, and construction work in particular, the sustainability of construction-phase employment generated by resource-led development and equity of access to this employment in this case may be called into question. The “resource curse”, a thesis describing failure of abundant resources to translate into long-term and equitably-distributed wealth (Sachs and Warner, 1999), risks repeating itself. Of more specific concern here are the challenges posed by jobs that require high levels of mobility. In fact, the article argues, access to jobs is shaped by gender and household composition. Moreover, the short-term nature of the jobs and economic volatility contribute to a further reliance on mobility.

Theoretically the article puts an analysis of employment-related geographical mobilities (Haan et al., 2014; Roseman et al., 2015) in conversation with critical interventions into the literature on economic globalization which seek to assert the importance of an attentiveness to the transformation of places and regions in which different functions of production are embedded. Recognizing that regional change is foregrounded by household and community-level processes, it investigates these processes by examining the place-based dynamics of labour and commuting. The article builds upon recent research that uses the concept of “Global Production Networks” (Henderson et al., 2002) to study extractive industries (Bridge, 2008; Santos and Milanez, n.d.) and long-distance commuting in resource-based economies (Rainnie et al., 2014). It addresses the fact that “the developmental effects of Global Production Networks in terms of livelihoods, gender relations, labour market participation decisions, class mobility and the cultural context of social reproduction are not well

understood” (Kelly, 2013, p. 83). Unlike the extensive and transnational commodity chains or networks of the manufacturing industry, which has been the focus of most GPN studies, extractive industries have several features appropriate for a regional or place-based study. As Bridge (2008) points out, their development often involves strong state-firm dynamics due to the territoriality of mineral resources; they also involve a high network density at the point of extraction because this is a capital intensive process that may involve TNCs, large and small firms. The article applies this perspective on the regional dimensions of upstream extractive production, with an interest in the fortunes of labour in the GPN (Rainnie et al., 2011) and, following Kelly, (2013) in broadening the scope of the GPN analysis. Thinking about the mobilities and immobilities of workers on the ground as part of a much larger network involved in developing, extracting, processing and selling resources, under conditions in which the state plays a key role as broker, renders visible the uneven regional production of value, the key feature of the embeddedness of global production in particular places.

The article draws on findings from research on commuting related to “Special Projects” in Newfoundland and Labrador, a resource semi-periphery with similarities to parts of the U.K., Norway, and Western Australia. Special Projects are the construction phases of mega-projects that make a substantial contribution to the provincial economy (Newfoundland and Labrador, 1990). As such, they are subject to the Special Project Order (SPO) provisions under the Labour Relations Act intended to isolate the projects from labour strife and ensure the timely completion of deliverables. Special Projects since the introduction of the SPO policy in the 1970s have included off-shore oil platforms, a nickel mine, a nickel processing facility, and hydro energy (see Table 1). Extraction generally, and extractive construction projects specifically, are often situated in locations where it is more cost-effective to bring in workers on a rotational basis than to create housing and a community for them. Newfoundland’s projects follow this trend, employing large numbers of people in rural and remote locations where labour force needs cannot be met locally. Many of those employed in jobs ranging from trades, to housekeeping and catering, to engineering, design and management, are working away—often quite far – from their permanent homes. Construction work more generally is transient and requires movement from one project to the next, but this reality is quite different outside of the highly visible urban contexts that most social science research on construction focus upon (Buckley, 2012; Pink et al., 2012).

The remainder of the article proceeds as follows. An overview of the research methodology and context explains how the research was conceived and carried out, including the particularity of the construction phases of extractive industries projects. Second, a review of the Global Production Networks literature, including recent work that applies GPN insights to extractive industries, situates the contribution of the article in relation to calls to pay more attention to labour and the transformation of places in which functions of production are embedded. Issues related to the

Table 1
Special Project Order (SPO) projects since Churchill Falls.

Project	Type	Date	Location
Churchill Falls	Hydro Energy	1967–1975	Labrador
Hibernia	Offshore Oil (GBS)	1990–1997	Newfoundland
Terra Nova	Offshore Oil (FPSO)	1997–2002	Newfoundland
Voisey’s Bay	Mining	2002–2005	Labrador
Long Harbour	Nickel Processing	2009–present	Newfoundland
Hebron	Offshore Oil (GBS)	2011–present	Newfoundland
Muskat Falls (Lower Churchill)**	Hydro Energy	2013–present	Labrador
Maritime Link	Hydro Energy	2014–present	Newfoundland

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