

Participants' Views on Constraints and Opportunities in the Development of Diamond
Tourism in Yellowknife, Northwest Territories

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ABSTRACT

Diamond tourism is an experience that is currently being developed in Yellowknife, Northwest Territories, Canada. Ideally, diamond tourism engages tourists in an educational experience about the diamond mining process, starting with extraction of the rough diamond through to the cutting, the polishing, and, finally, the purchasing stage. Diamond tourism has arisen as a fortuitous possibility at a time when the tourism industry in Northwest Territories has faced a variety of setbacks related primarily to events with their genesis outside the region. The 9/11th terrorist attacks and the SARS crisis had a negative impact on the previously growing aurora viewing tourism sector. Diamond tourism is seen as a possible means of diversifying the troubled tourism industry in the Northwest Territories. This thesis examines the context of the development of diamond tourism in the Northwest Territories and explores its potential through the views of stakeholders. The thesis reports on research that used focus groups and interviews to examine stakeholder perceptions of constraints and opportunities of diamond tourism in Yellowknife, NWT. This research took place in Yellowknife in the summer and fall of 2007. The thesis utilizes the methodology of grounded theory and describes the results using four themes within constraints and opportunities: cooperation, development, management, and diversification. It also considers the role of the social economy Yellowknife and economic development effort by focusing on several non-profit organizations that are influencing northern tourism development.

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LIST OF ACRONYMS USED

GNWT – Government of the Northwest Territories

ITI – Industry, Tourism and Investment (A department of the GNWT)

DMO – Destination Marketing Organization

TD – Tourism Development

NPO – Nonprofit Organization

CHAPTER 1: INTRODUCTION

1.1 Introduction

This study examined the constraints and opportunities of diamond tourism in Yellowknife, the Northwest Territories (NWT). The development of diamond tourism was the result of global events that affected the local economic picture. During the past decade, events such as the 9/11 terrorist attacks; the SARS outbreak; and, concerns related to Bovine Spongiform Encephalopathy (BSE), commonly known as *Mad Cow disease*, have placed considerable stress on Canada's tourism industry (Government of the NWT [GNWT], 2003). These events have been international in their genesis and outcomes and have affected the tourism industry in many parts of the world. This impact has been particularly evident in Yellowknife, a city that is largely dependent on international visitor markets such as the United States and Japan (GNWT, 2002, 2003; Western Management Consultants [WMC], 2007).

Yellowknife's primary tourism sectors are hunting, fishing, outdoor adventure, and aurora borealis viewing. The aurora tourism industry was considered healthy at one time; however, recent declining numbers have forced this sector to reconsider its future. This doubt has created concern for the future of the other tourism sectors as well. The tourism industry in the NWT has started to view diversification as a way to stabilize its current tourism supply package. Interestingly, one possibility for diversification has come from an unexpected source: the mining industry. Mining in Yellowknife has benefited from its global connections because of the significant increase in mineral prices that has caused tremendous growth in resource exploration. The mining industry's prosperity is having a positive influence on tourism. The discovery of diamond mines has spiked the

interest of the tourism industry in a new form of tourism, commonly referred to as *diamond tourism*. Diamond tourism is a form of tourism that explores diamond mining, cutting, and polishing processes, which eventually leads to the purchase of a Canadian diamond.

This new tourism sector is projected to contribute \$1,189,200 to the NWT's gross domestic product (GDP) by 2010 and create more than 130 new jobs (North Group, 2004). The economic impact on the local economy will be substantial, and some of the efforts toward diamond tourism development are occurring in the social economy. A broad understanding of the social economy includes the "enterprises and organizations, which use the tools and some of the methods of business, on a not-for-profit basis, to provide social, cultural, economic and health services to communities that need them" (Canadian Social Economy Research Partnerships [CSERP], 2008).

The social economy in Yellowknife has contributed to tourism development initiatives run by nonprofit organizations (NPOs). Collectively, NPOs can be placed in the broader realm of the social economy, which was the organizational framework for this study (see Murray, 2008; Restakis, 2006). Social economy enterprises and organizations include nonprofits, cooperatives, the voluntary sector, credit unions, and social economy enterprises (Canadian Social Economy Suite, 2006; Western Economic Diversification Canada, 2007). Yellowknife has several NPOs that assist with tourism management, marketing, and product development, and they are considered contributors to Yellowknife's social economy.

The organizational structure of the tourism industry in Yellowknife has created a reliance on nonprofit marketing organizations because of their ability to manage

stakeholders' needs in marketing a destination while acting as unbiased, neutral organizations. These organizations play a key role in the research, product development, and marketing of diamond tourism, which has the potential to increase the diversification of Yellowknife's tourism industry. Diversification might be the solution to a struggling tourism industry and the key to a strong and stable local economy. This study investigated the constraints and opportunities associated with the potential of this new tourism sector as seen by stakeholders.

1.2 Yellowknife and Diamond Tourism

Yellowknife, which is located above the 60th parallel in Canada's sub-Arctic and Arctic regions, is the capital city of the NWT. In 2007, it had a population of 19,155 (GNWT, 2008). Yellowknife's tourism industry includes 400 companies that provide a tourism supply package incorporating direct visitor services, accommodations, and support sectors (GNWT, 2007a, 2007b, 2007d). Diamond tourism already exists in such locations as Kimberly, and Cullinan, South Africa, and includes visiting underground and aboveground mines through scheduled tours and viewing diamond cutting and polishing processes from behind secure glass panels (North Group, 2004).

The concept of diamond tourism in Yellowknife is quite different from diamond tourism in South Africa because currently tourists cannot visit the Yellowknife diamond mines or the cutting and polishing facilities. The vision of future diamond tourism in Yellowknife includes highly coordinated educational tours with stops at various places such as the territorial college, cutting and polishing facilities, the community's visitor centre, a heritage centre/museum, a visitor centre run by one of the mining companies, jewellery stores, galleries, and restaurants (P. Neugebauer, personal communication,

2007; D. Olmstead, personal communication, 2007). Current diamond tourism encompasses the possibility of individual visits to the community's visitor centre, the visitor centre run by a mining company, jewellery stores, galleries, restaurants, and airport display cases (D. Olmstead, personal communication, 2007; North Group, 2004; P. Neugebauer, personal communication, 2007).

Clearly, there is a gap between the current reality and the industry's vision of diamond tourism activities. Current activities do not include stops at cutting and polishing facilities, the territorial college, and local restaurants and galleries. In addition, there are no organized tours that incorporate the heritage museum. The differences between the two visions suggest a lack of coordination and activity diversification, and perhaps limited community involvement. The differences lead to a key question: What is holding back the achievement of the diamond tourism industry's vision? The following objectives were established to guide this study on diamond tourism in Yellowknife.

1.3 Objectives

This study established three research objectives to reach a better understanding of the current state and the potential of diamond tourism in Yellowknife, NWT:

1. Examine the existing conditions of the tourism industry related to diamond tourism.
2. Identify the views of opportunities and constraints of diamond tourism in Yellowknife held by tourism, mining, and government stakeholders.
3. Explore the relevance of the social economy framework for understanding the development of diamond tourism.

These objectives were developed in concert with community partners to ensure that the study would be useful to the Yellowknife community.

1.4 Community Partners

This project was developed initially with guidance from the director of economic development for the City of Yellowknife. I contacted the Economic Development Department of the City of Yellowknife to find areas of tourism that required research. I discovered that since the completion of the foundational report *A Perfect Setting: Diamond Tourism in the Northwest Territories* (North Group, 2004), a second study was needed to follow up and build on the findings of the first study. My research provided a timely exploration of the topic, diamond tourism, and its opportunities and constraints. Once the objectives and the purpose of this study were established, partnerships were sought to assist with financial and logistical support.

The Northern Frontier Visitor Association (NFVA) was the community partner that immediately offered logistical support in the form of office space and management of a contribution agreement with the GNWT. The other partner, the GNWT Department of Industry, Tourism, and Investment, provided funding for the contribution agreement. Once these partnerships were arranged, the addition of the social economy as a framework was deemed important to further understand the involvement of NPOs in diamond tourism development. The social economy appeared worth using as a framework because the NFVA, along with several other NPOs, has had a significant role in diamond tourism development in Yellowknife.

Once the variables and framework of the study were established, grounded theory was selected for the methodological framework because it allows the researcher to adapt

the data collection methods as the data collection phase progresses (Corbin & Strauss, 2008; Glaser, 1978). This flexibility was deemed important because of the northern setting in a smaller community. Additionally, grounded theory aims to develop a theory (Corbin & Strauss, 2008; Glaser, 1978), and it was hoped that theory development would contribute knowledge to social economy research efforts. The elements of grounded theory aligned well with the social economy framework because both frameworks strive for reciprocity (Corbin & Strauss, 2008). Giving something useful to the community was an underlying purpose of this study.

1.5 Summary

This thesis includes seven chapters that explore the constraints and opportunities of diamond tourism in Yellowknife and then link the findings with previous studies and literature. Because this study utilized grounded theory as its framework, the layout of the thesis is somewhat different from that of a traditional thesis. Grounded theory typically does not support the completion of a full literature review prior to data collection because it is important to use the literature for validation post data collection (Hardy, 2005; Strauss & Corbin, 2008). The grounded theory process results in the development of a theory that is grounded within the data set (Strauss & Corbin, 2008). Literature is used as it is needed, including during and after data collection, and this leads to the development of the emergent theory derived from the data (Strauss & Corbin, 2008).

Chapter 2 explores the contextual background material for this study by discussing the setting, tourism and mining backgrounds, tourism development, and the social economy. Chapter 3 explains the methodological approaches that were utilized in this study. Chapter 4 reviews the processes for analysis that were utilized after the data

were collected. Chapter 5 describes the findings, and chapter 6 provides a discussion that links the findings to the literature and the conceptual framework that develops a theory based on the findings. Chapter 7 concludes this study and presents the implications of the findings.

CHAPTER 2: CONTEXT

2.1 Introduction

This chapter provides the context of this study in terms of the physical setting of the research and the background information surrounding tourism and mining. In addition, this chapter describes related information on tourism development and the social economy. Keeping with the expectation of a grounded theory study, this context is needed to set the stage for an exploration of the constraints and opportunities of diamond tourism in Yellowknife.

2.2 Setting

The research area was limited to Yellowknife, the capital city of the NWT. The community of Yellowknife is located on the western shore of Yellowknife Bay, which is a part of the North Arm of Great Slave Lake, the fifth largest lake in North America (City of Yellowknife, 2006a). Yellowknife is situated in the North Slave Region above the 60th parallel (62° 27N, 114° 22W) in Canada's sub-Arctic zone (see Figure 1). Smaller communities located close to Yellowknife include Dettah (6.5 km away in distance by winter ice road or 27 km via Hwy 3), Lutselk'e (201 km by air), Rae-Edzo (108 km by highway), and Fort Providence (314 km by highway). Aside from these communities, Edmonton, Alberta, is the largest and closest urban centre, but it is more than 1,500 kilometres away by road (City of Yellowknife, 2006a).

The NWT covers an immense landscape of over 1,183,085 square km, stretching from the 60th parallel to islands of the Arctic Ocean. This huge area is sparsely inhabited and had a population of 42,637 in 2007 (GNWT, 2008). The City of Yellowknife has 19,155 residents, who account for 45% of the entire territory's population (GNWT,

2008). These numbers place Yellowknife as the largest and only city in the NWT; it was named the capital on January 1, 1970 (City of Yellowknife, 2006a).

One highway connects Yellowknife with southern communities. When leaving Yellowknife, Highway 3 (the Yellowknife Highway) connects with Highway

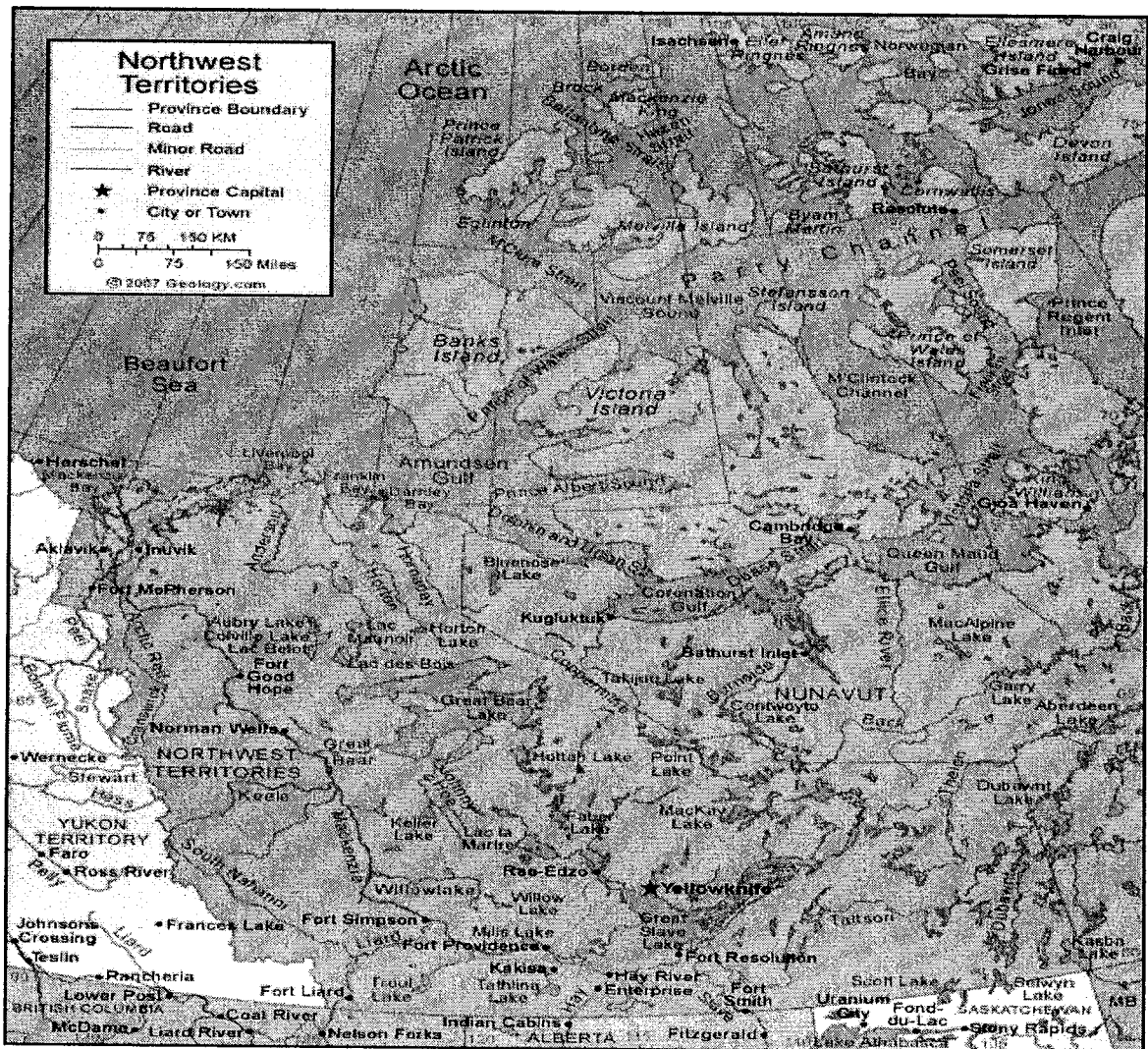


Figure 1. Map of Northwest Territories (Geology.com, 2008).

1 (the Mackenzie Highway). The Mackenzie Highway crosses the Mackenzie River, which freezes over during the winter months, therefore enabling the construction of an ice road. The spring break-up usually occurs in May, and the fall freeze-up usually occurs

in September. During these times, the ferry does not operate, so supplies must be flown to and from Yellowknife and the surrounding communities. For those planning to cross the river during freeze-up or break-up, the Ministry of Transportation strongly advises making arrangements for a 2- to 4-week wait while the river freezes or thaws (City of Yellowknife, 2006a).

In addition to driving to and from Yellowknife, people also can access the city via aircraft and bus. Bus travel is estimated to take 2 days and 6 hours via Greyhound from Vancouver to Yellowknife. More timely transportation relies on Yellowknife's international airport, a primary hub for the city during the winter months. Three airlines service the NWT with daily flights to southern centres: First Air, Canadian North, and Air Canada Jazz. As well, a fourth airline, Westjet, is now offering seasonal daily flights to Yellowknife between May 4, 2009 and October 31, 2009. In addition, First Air and Canadian North service smaller northern communities, including Inuvik, Cambridge Bay, Colville Lake, Iqaluit, and Rankin Inlet. In addition, several airlines service northern communities with both passengers and freight: Air Tindi, Buffalo Airways, Arctic Sunwest, and Great Slave Helicopters. These airlines connect Yellowknife with passenger and freight travel to and from southern and northern communities. Even though tourism and travel were a significant part of the development of the Northwest Territories and more specifically, Yellowknife, the history of Yellowknife has been centered on the First Nation's population and mining.

The Dene (small Athabaskan-speaking North American Indian tribe) were the first people to settle the Great Slave Region in the Northwest Territories (Green & Fernandez, 1999; Marshall, 2002). There were five tribal groups that comprised the Dene

people: Chipewyan, Dogrib, Yellowknife, Slavey, and Sahtu Dene. The Yellowknife tribe originally settled in the Yellowknife region in a settlement named *Dettah* (Gibson, 2008). As European settlers began to infiltrate the area, the term *Yellowknives* was used as a way to describe the First Nation peoples who lived in the area. The term *Yellowknives* was used because local First Nation peoples carried yellow knives that were made from regional copper materials. The Dene referred to Yellowknife (the area) as *S'ombak'é*, which means *money place* (Gibson, 2008). During the 18th and 19th century, the Yellowknives First Nation Band entered into a territorial war with the Dogrib First Nation Indian band. In the late 18th century and early 19th century, the Dogrib tribe invaded and decimated the Yellowknife tribe (Green & Fernandez, 1999). Any Yellowknife tribe members who survived were absorbed into the Chipewyan tribe in Lutsel K'e. Within the last couple decades, a smaller group of Dogrib have settled in the communities of N'dilo and Dettah and are called the *Yellowknives Dene* (City of Yellowknife Heritage Committee, 2005). Later on, when the region was settled by Europeans, Metis, and fur traders, the City of Yellowknife was named in honour of the local Dene population (Jewison, 2008). Further exploration of the Arctic by Europeans occurred in the early 1920s and led to the discovery of uranium and silver around Great Bear Lake. In the early 1930s, gold was discovered in the Yellowknife area, and this resulted in the initial settlement of the current City of Yellowknife (City of Yellowknife Heritage Committee, 2005).

Miners Herb Dixon and Johnny Baker discovered gold in 1933 when canoeing down the Yellowknife River (City of Yellowknife, 2006a). Baker's return to the area eventually led to the discovery of further gold deposits and the establishment of the first

gold mine, Burwash Mine (Jewison, 2008; GNWT, 2009). The discovery of the Giant and Con gold mines secured the future growth of Yellowknife (Jewison, 2008; GNWT, 2009). From the mid 1940s until 2004, Yellowknife's primary economic base was gold mining (Jewison, 2008). Typically, mining activity is based on global supply and demand, and in order to provide economic stability, the City of Yellowknife became a government hub and a tourism destination spot (Jewison, 2008; GNWT, 2009). Local First Nation band members play an integral part in mining and tourism within Yellowknife: all First Nation bands are involved in mining through Impact Benefit Agreements with the three diamond mines operating around the Yellowknife area (GNWT, 2009). In regards to tourism, many First Nation band members are involved in owning and operating hunting, fishing, and wildlife viewing companies that service inbound tourists. Tourism has played an increasingly important role in the growth and development of Yellowknife. Yellowknife's beautiful natural landscape is an excellent backdrop for a variety of tourist activities, including fishing, hunting, and aurora borealis viewing.

2.3 Tourism in Yellowknife

This section highlights the development of the tourism industry in the NWT. Tourism plays an important role in the rural and northern economies of Canada. Quite often, tourism is a supporting sector that helps to diversify and strengthen resource-based economies (Godde, Price & Zimmerman, 2000; Reed & Gill, 1997). This is the case in the NWT, where mining is the primary economic contributor due to rich deposits of gold, tungsten, and diamonds (GNWT, 2006, 2007g). Tourism ranks a distant third in the GDP

behind mining and petroleum products, but it has a long history in the region and has played an important role in the economy of the territory (GNWT, 2004, 2007d).

The history of tourism in the NWT dates back to the exploration of Canada's Arctic regions in the 16th century and to the trading era in the 1800s (GNWT, 2007f; Marsh, 1987). Commercial tourism, which has existed for more than 50 years in the NWT, initially was composed of fishing lodges, hunting outfitters, airlines, and a few hotels (GNWT, 2007d). Over the years, visitation increased from 600 visitors in 1959 to an estimated 47,600 in 1994 (Hall & Johnston, 1995). It is important to note that these statistics predated the territorial divide in 1999 and were representative of NWT and Nunavut tourism prior to division.

A significant development occurred in the tourism industry in the late 1950s when tourism operators came together to create an industry association that would represent their needs (GNWT, 2007d). Over the next 40 years, this initiative advanced and grew until NWT Tourism was established in 1996. NWT Tourism acted as an industry association for representing the tourism industry and also served as a tourism marketing agency (GNWT, 2007d). The extent of this development has grown to include eight full-time employees and an annual budget of \$3 million (GNWT, 2007d).

Continued growth and diversification have resulted in a current tourism industry that is composed of more than 400 companies providing direct visitor services, restaurants, gift stores, and attractions (GNWT, 2007d). Tourism businesses include big game outfitters, fishing operators, outdoor adventure providers, various transportation methods, accommodations, and food services (GNWT, 2007d; Northern Frontier Visitor Association, 2008; Prince of Wales Northern Heritage Centre, 2008). The NWT's

strongest tourism sectors are aurora borealis viewing, hunting, fishing, and outdoor adventures (GNWT, 2007a, 2007b).

Comprehensive exit surveys were conducted in 2002 and 2006 on the NWT's tourism industry, with reports published in 2003 and 2007, respectively (WMC, 2007). These reports describe the results of the exit surveys completed between May 15 and September 15 of 2002 and 2006, on the basis of which the GNWT Department of Industry, Tourism and Investment estimated numbers for the remainder of the year. Figure 2 illustrates NWT annual visitation numbers from 2000 to 2007 (post territorial division in 1999); all numbers are estimations based on the 2002 and 2006 exit surveys. The figure also shows business, pleasure, and overall totals for travellers to the NWT. The GNWT defines *tourist* by utilizing the World Tourism Organization's definition, which states "Persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited" (p. 10). It is important to note that the definition includes people travelling for business, meetings and conventions, as well as those for whom the primary motivation is to visit friends or family (GNWT, 2005). Visitation numbers were estimated to have grown in the 2006-2007 tourist season to a total of 62,045 non-resident travellers who contributed approximately \$110.2 million to the NWT economy (GNWT, 2007a, 2007d). Since the territorial divide in 1999, it is estimated that business travel had a slow increase from the 2000-2001 to the 2006-2007 tourist season. The number of leisure travellers to the NWT declined slightly after the 9/11 terrorist attacks, but recovered to pre-9/11 numbers and remained stable until a decline in the 2006-2007 tourist season.

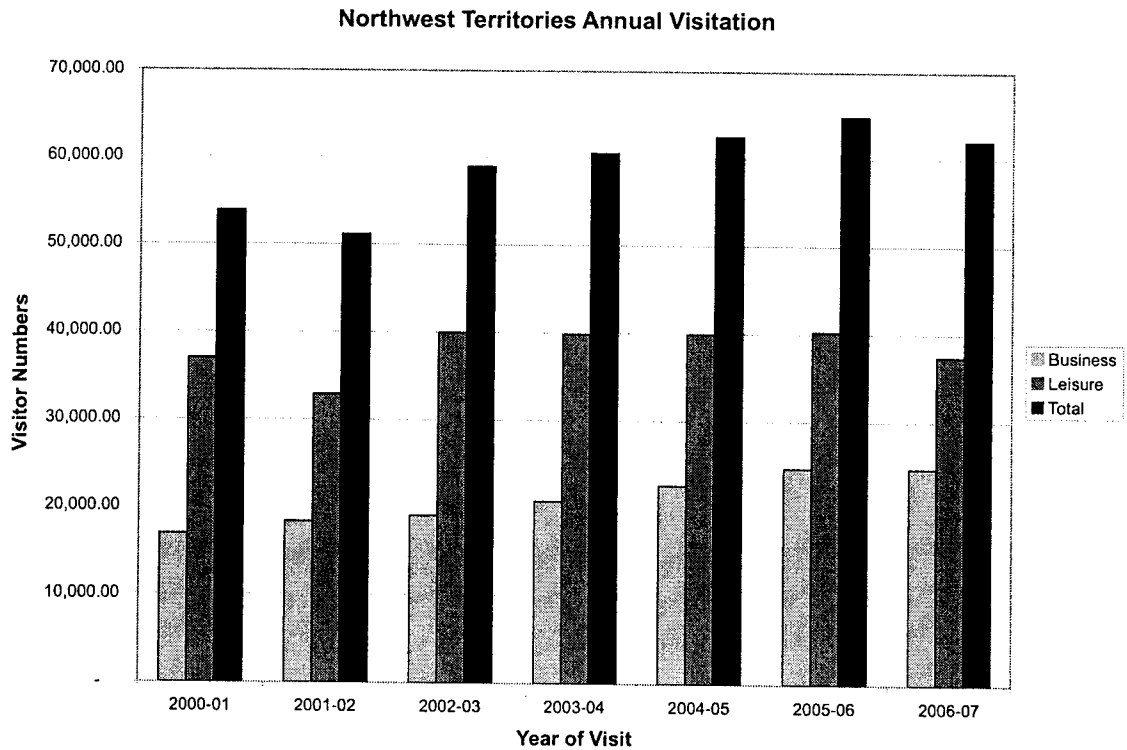


Figure 2. NWT estimated annual visitation numbers (Olmstead, 2007).

The latest 2006 GNWT exit survey showed that 35,956 non-resident travellers visited the NWT between May 15 and September 15, 2006 (2007a). Figure 3 outlines exit survey years 2002 and 2006 for business and leisure travellers. The GNWT defines a *business traveller* as a person who is travelling while on assignment by, or at the direction of his or her employer (GNWT, 2008). In addition the GNWT defines a *leisure tourist* as a tourist who is travelling for pleasure with no specific purpose other than to experience a new area (GNWT, 2005). In 2006, business travellers accounted for 21.7% (7,800 travellers) of total visitors, which was a decrease compared to 2002 business travellers, who accounted for 25.2% (9,507 travellers) of total visitors.

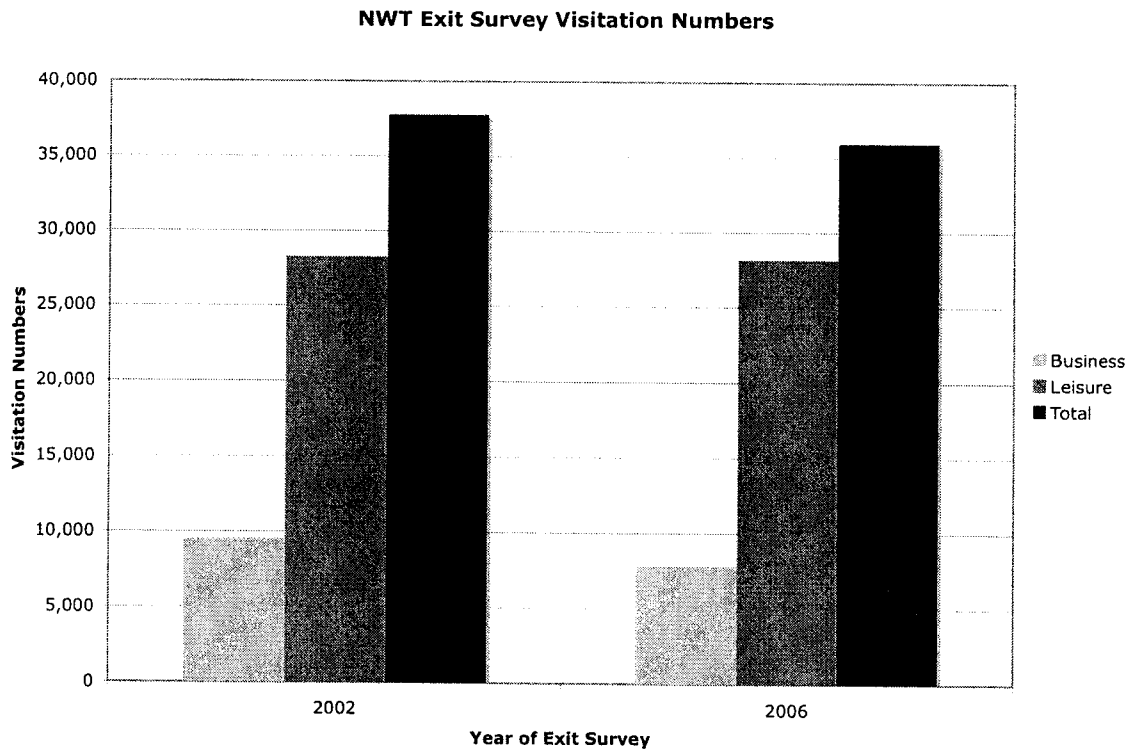


Figure 3. Exit survey visitation numbers (GNWT, 2007a; Marsh, 2008).

On the other hand, in 2006, leisure travellers accounted for 78.3% (28,157 travellers) of total travellers, an increase from the 2002 numbers, which showed that leisure travellers accounted for 74.8 % (28,283 travellers) of total travellers. Of the total number of visitors in 2006, 62% were male, and their average age was 50. Furthermore, 66% had at least a college diploma and an annual household income of \$90,000 (GNWT, 2007a). In addition, 23% of visitors were retired, and 31% were in professional or managerial occupations (GNWT, 2007a). The primary activities undertaken while they were in the NWT were sightseeing (62%), photography (60%), shopping (50%), and wildlife viewing (49%; GNWT, 2007a). In regard to leisure travellers, 19% were viewing aurora borealis, 23% were visiting family and friends, 14% were fishing, 4% were

hunting, 6% were taking part in outdoor adventures, and 35% were doing activities related to general touring (GNWT, 2007e). *General touring* refers to travelling without a specific cause or reason except to explore a new area (GNWT, 2007e).

Yellowknife's most interesting tourism success story, according to the City of Yellowknife, is that of aurora viewing, which accounted for 19% of leisure travellers in the 2006-2007 tourist season. Aurora viewing, until recently, was one of the strongest tourism sectors in the NWT. It is important to note that between 2000 and 2007, four surveys were completed on the NWT aurora viewing tourism sector. All of these reports were conducted by the GNWT Department of Industry, Tourism and Investment.

In addition to these standard reports, competitive analyses were conducted in 2007 and 2008 of the aurora tourism market in Yellowknife; these reports also produced statistics on the current aurora tourism numbers. These numbers were estimations because not all tour operators provided their most recent numbers. Western Management Consultants (2007) prepared these two reports under the direction of the GNWT Department of Industry, Tourism, and Investment. Aside from the 2007 and 2008 numbers, there also were estimations in the tourist years of 2000-2001 and 2005-2006 because data were not collected during these years.

During the inaugural year of 1989-1990, aurora viewing had an estimated 80 visitors, and by the winter of 2000-2001, the market had grown to an estimated 14,000 visitors (WMC, 2007). Figure 4 illustrates aurora viewing numbers from its inaugural year to the 2006-2007 tourist season. Aurora tourism numbers declined substantially post-9/11 and have never recovered to the high in 2000-2001. Aurora viewing numbers peaked in 2001, which corresponded with 9/11; however, the winter aurora viewing

season occurred prior to 9/11: This is why peak visitation occurred in the same year that the aurora markets began to decline (WMC, 2007). After 2001, the aurora market recovered steadily until 2005/2006. Then numbers decreased to around 7,000 visitors (WMC, 2007). These estimated visitor numbers were collected from tour operators.

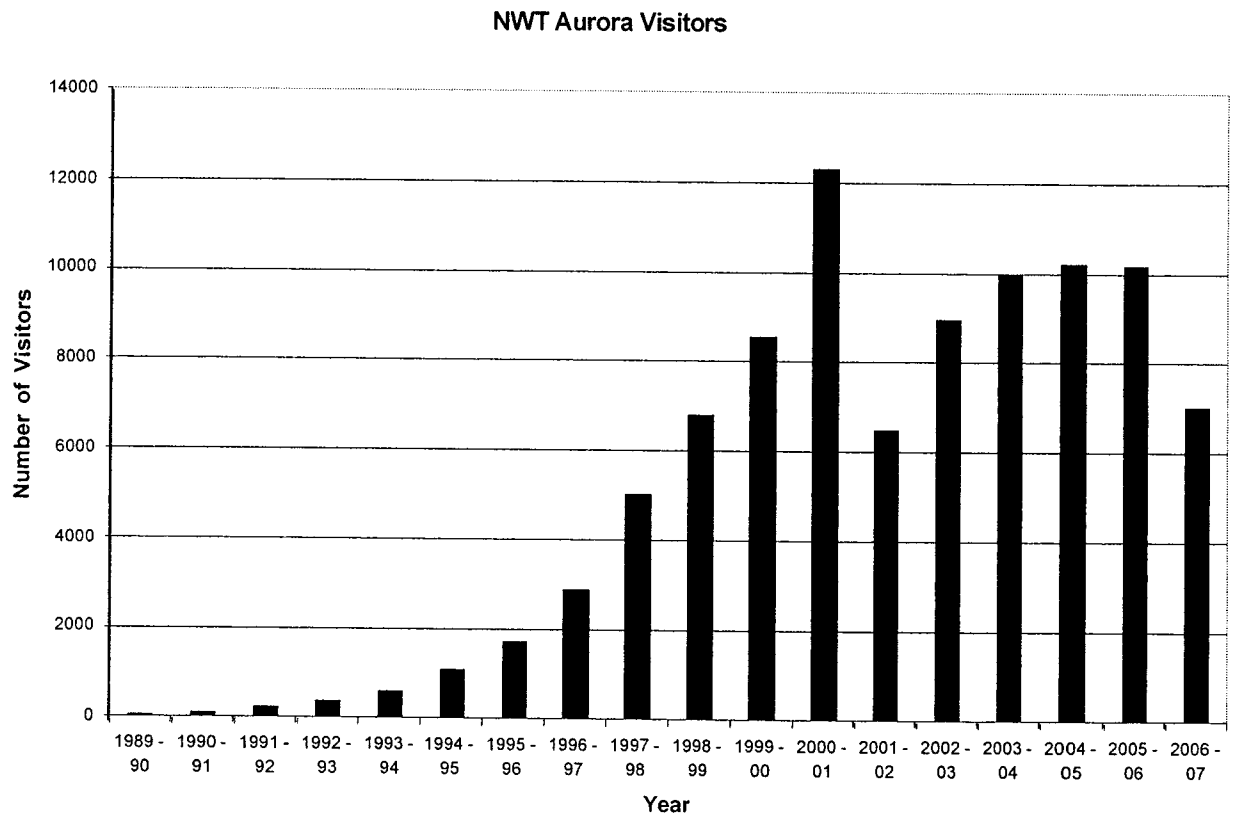


Figure 4. NWT aurora sector numbers. (Marsh, 2007).

The substantial declines in aurora viewing numbers and their limited recovery from the peak season of 2000-2001 can be attributed to a variety of global events and increased international competition. Post-9/11 Japanese travel to Canada has declined dramatically because of Japanese sensitivity to negative international events, including SARS and the terrorist attacks (WMC, 2007). This trend is consistent with all Canadian markets that rely on Japanese tourism: The Canadian Tourism Commission (CTC, 2006)

stated that, on average, fewer Japanese tourists are leaving Japan for tourism purposes. Furthermore, in terms of international competition, Yellowknife originally monopolized the global aurora borealis viewing market, but as of the 2006-2007 aurora borealis tourism season, Yellowknife had an estimated market share of 26.6% (CTC, 2006). New destinations and their market shares include Whitehorse (5.5%), Fort McMurray (1.8%), Churchill (0.4%), Alaska (25.8%), Norway (18.5%), Finland (18.5%), Iceland (1.8%), Greenland (0.7%) and Russia (0.4%) (CTC, 2006). These numbers are based on tour operators' informed guesses on current volumes and WMC research, so it is best to use these numbers for a general understanding of the markets and not to rely heavily on these percentages (CTC, 2006).

In addition to global events and increased international competition, internal and external factors also have influenced the regional decline and hindered the redevelopment of the aurora borealis markets. In Yellowknife, support from the CTC in marketing the destination to the Japanese is limited because the CTC has decided to support new and larger Asian markets such as China and Korea (CTC, 2006). Inferior accessibility issues such the lack of direct flights have also plagued the aurora borealis industry. The lack of direct flights creates a tiring journey from Japan to Yellowknife, with stops in Vancouver and Edmonton. Other destinations such as Whitehorse and Alaska have been able to secure direct flights from Japan and have become more desirable destinations for the Japanese. Aside from flights, the cycle of the aurora borealis is a contributing factor to declining Japanese numbers. In the 1989-1990 tourist season, Yellowknife was positioned directly under the aurora borealis circle, providing consistent, vibrant viewings. The aurora borealis has cycles of strength; Yellowknife happens to be in the

middle of a low-strength cycle that is not expected to peak again until 2011 (WMC, 2007).

In addition to a low aurora borealis cycle, operator issues have plagued the aurora borealis viewing industry. Two operators entered into a competitive battle over prices and services. This has created an unsettled business environment and has contributed to shrinking profit margins for the companies (WMC, 2007). Along with operator issues are destination concerns. The Yellowknife aurora borealis industry is currently unable to offer a comprehensive viewing experience because of operator issues and unwillingness to change. The WMC (2007) stated that the operators need to “create a story, play or experience to increase client understanding of the destination; and, improve overall cleanliness and appearance of the community” (p. 26). These ideas are just the beginning of an attempt to redevelop and stabilize the aurora borealis industry. Ideas put forth by WMC are aimed at advancing customer satisfaction and awareness by creating a more comprehensive aurora viewing product experience.

Two major studies (*A Perfect Setting* and *Northwest Territories Tourism, Competitive Analysis*) have concluded that diversification can strengthen tourism supply packages in NWT (North Group, 2004; WMC, 2007). It is hoped that diversification will help strengthen the current tourism supply package and revive the declining aurora market. Aurora viewing has been linked with diamond tourism in two reports: the *Perfect Setting: Diamond Tourism in the Northwest Territories* (North Group, 2004) and the *Northwest Territories Tourism, Competitive Analysis: Aurora Viewing Tourism* (WMC, 2007). These reports suggested that by diversifying, packaging, and marketing the aurora borealis and diamonds together, the tourism industry will be successful in strengthening

supply opportunities and packages by increasing overall tourism numbers. The tourism industry has responded by taking measures to link diamonds and aurora as attractions.

According to North Group (2004), diamond tourism will be a secondary attraction and complementary subsector to hunting, business travel, and aurora tourism. North Group (2004) has predicted that diamond tourism will contribute an estimated \$1,189,200 to the NWT GDP by 2010 and create over 130 new jobs. This potential for economic revenue in a territory with \$3,876 million in GDP in 2005 (GNWT Bureau of Statistics, 2008) has piqued the interest of municipal and territorial governments, and it appears promising in light of recent declines in the aurora tourism subsector (Noakes et al. 2008). As a response in 2008, the diamond tourism sector took a significant step in its development by opening the first diamond tourism display at the Northern Frontier Visitors Centre. This development signalled the tourism and mining industries' cooperation and commitment to diamond tourism.

The Northern Frontier Visitors Centre's diamond display was a cooperative investment among various levels of government, the mining industry, and the tourism industry. What is interesting about this initiative is that the mining industry not only assisted the display project financially, but it also played a significant role in the development of ideas, proposals, and plans. This development symbolized the importance of community involvement, transparency, and commitment to creating a lasting legacy of diamond mining.

2.4 Mining Background

This section outlines the historical importance of mining in Yellowknife and the current development and success of diamond mining in the NWT. Mineral exploration

and mining have played significant roles in the history and development of Yellowknife (GNWT, 2006). Mining has gone through a series of boom-bust cycles over the years, causing economic changes and shifts in the community each time (GNWT, 2006). The development of Yellowknife can be attributed to two major mines. The smaller mine was Giant Mine, discovered by prospectors Baker and Muir in 1935, and the larger mine was Con Mine, discovered by Jennejohn in 1940 (GNWT, 2006). Together, these two gold mines were the major economic drivers in Yellowknife for more than 6 decades (Mining Heritage Society, 2006). Timing has been everything in the Yellowknife mining industry, and just as the gold mines were coming to an end, the community was beginning to question its economic future, and then diamonds were discovered. Currently, there are four operational mines in the NWT, and three of them are diamond mines. Diavik mine, Ekati mine, and De Beers Snap Lake mine are the three operational diamond mines, and the CanTung tungsten mine is the only operational tungsten mine (GNWT, 2007g).

Although several other forms of mineral exploration and mining have taken place over the years, none has generated as much excitement as the discovery of diamonds in the north (Mining Heritage Society, 2006). In 2007, Ekati, Diavik, and De Beer's Snap Lake mines together accounted for 100% of Canada's diamond production and 8% of total global diamond production by weight and 12% by value (GNWT, 2007g). In July of 2008, De Beers also opened its second Canadian diamond mine, which is called Victor Mine, and it is located in Northern Ontario. Ekati was Canada's first surface and underground diamond mine to open production in 1998 (Ekati, 2008; Northern Frontier Visitor Association, 2008; NWT Mining Heritage Society, 2008). Ekati is 80% owned by BHP Billiton, and the remainder is owned by Charles Fipke (10%) and S. Blusson (10%;

GNWT, 2007g). Ekati is located approximately 310 km northeast of Yellowknife (see Appendix A) and is accessible via ice road in the winter months and air the remainder of the year (Real Travel, 2009). Ekati has three underground pipes, Koala, Fox, and Panda, and over the last 2 years, these pipes have produced a combined average of 3.5 million carats of rough diamonds annually (Ekati; GNWT, 2007g).

Diavik was Canada's second diamond mine, and it started production in 2003 (Diavik, 2008b). Diavik is an unincorporated joint venture between Diavik Diamond Mine Inc. (60%) and Harry Winston Diamond Corporation (40%; GNWT, 2007g). Diavik's three ore bodies (A154 South, A154 North, and A418) are located in the Lac De Gras region of the NWT, which is approximately 300 km by air from Yellowknife and 210 km from the Arctic Circle (Diavik, 2008b). Diavik's annual production is 2 million tonnes; the mine life is expected to be between 16 and 22 years (Diavik, 2008).

De Beer's Snap Lake Mine is the first De Beer's mine outside of Africa to produce diamonds (De Beers, 2008). De Beer's Victor Mine in Northern Ontario opened one day after the Snap Lake Mine opened. Kimberlite, a volcanic rock that may contain diamonds, was discovered in 1997 by Winspear Resources for the Snap Lake Mine. In 2000, De Beer's Canada bought the project and began the permitting process (De Beers, 2008). The Snap Lake Mine site is located 220 km northeast of Yellowknife and is completely underground, which is a first for Canadian diamond mines (De Beers, 2008). The mine's first production year was in 2007, and by June 31, 2008, \$1.1 billion had been spent on construction and operation of the mine (De Beers, 2008). Production at De Beer's Snap Lake Diamond Mine is planned to attain an average production of 1.1 million tonnes annually (GNWT, 2007g).

The diamond mines have also led to the establishment of cutting and polishing factories in Yellowknife, further stimulating the economy of the NWT. Three cutting and polishing facilities are operating within Yellowknife: Laurelton Diamonds Inc. (owned by Tiffany & Co); Basal Diamonds (operating a rescued Arslanian Cutting Works NWT Ltd); and Canada Dene Diamonds (North Group, 2004). Laurelton Diamonds purchases diamonds from Diavik Diamond Mines Inc., which is a co-owner with Harry Winston Diamond Corporation (Werniuk, 2008). Arslanian Cutting Works purchases diamonds from Ekati, and Canada Dene, Canada's first Aboriginal-owned diamond polishing facility, purchases from both mines (Werniuk, 2008). None of the cutting and polishing facilities purchase from De Beer's Snap Lake mine because it only began production in the summer of 2008. Today, Yellowknife is a regional centre for the diamond mines.

2.5 Tourism Development

The following section discusses literature on the constraints and opportunities of rural and northern tourism development. These aspects of tourism development can help to explain the tourism processes taking place in Yellowknife.

2.51 Rural or Northern Tourism Development

In Canada, a rural community can be defined as “a population in communities with densities less than 150 people per square kilometre” (Statistics Canada, 2002, p. 17). In addition, “urban areas with populations less than 10,000 are considered rural areas if they are outside the main commuting zones of larger urban centres” (Statistics Canada, 2002, p. 17).

In recent years, there have been significant amounts of literature dedicated to rural tourism development (e.g. Bessiere, 1998; Hall, 2001,2002, 2005; Hall, Kirkpatrick, &

Mitchell, 2005; Hall, Sharples, & Mitchell, 2003). Wilson et al. (2001) identified several factors that can strengthen rural tourism success: attractions, promotion, tourism infrastructure, services, and hospitality. *Attractions* refer to natural and artificial activities that are close to the community. *Promotion* refers to tourism and community marketing aimed at appropriate market segments and regions. *Tourism infrastructure* refers to community access, such as highways, airports, ship docks, and train and bus stations. Additionally, tourism infrastructure can incorporate areas such as electricity, water, hospitals, policing, hotels, and restaurants. *Services* refers to accommodations and lodging, restaurants, retail, and hospitality, all of which are dependent on friendly and helpful guest relations (Wilson et al., 2001).

Regarding northern tourism development, the Federal Government defines Canada's North as the area north of 66° 30'N, which is known for a large variation in the hours of daylight and darkness (Department of Indian Affairs and Northern Development [DIAND], 2001). Additionally, DIAND (2001) stated that "the north is colder than most temperate climates, is above the tree line, lakes and rivers stand a chance to freeze solid, large distances exist between areas of civilization, and it receives as much precipitation as most deserts" (p. 7). This definition outlines the nature of northern environments and therefore provides an important difference between Northern and rural tourism development. This difference is only the tip of the iceberg, and therefore several additional characteristics should be discussed on northern tourism development. Hall and Boyd (2005) noted that northern tourism is different than tourism in other peripheral regions. They stated that northern areas lack political and economic control, incur high transportation costs, have weak economic linkages, experience an outflow of migration,

lack innovation, have limited information updates, and contain higher community values on nature (Hall & Boyd, 2005). Despite these major differences between the terms *rural tourism development* and *northern tourism development*, the terms can be used interchangeably because of their similarities. This is why I have described these terms together; however, where possible, I will specify *northern tourism development*.

There have been various studies completed in Northern Canada that outline additional characteristics of northern tourism development. According to Butler (2002), tourism in northern regions is normally small scale and based on natural resources and activities such as hunting, fishing, and wildlife viewing. Additionally, accessibility to and from the area is usually a challenge for tourists (Butler, 2002). Marsh and De la Barre (2006) agreed with Butler and stated that this description of northern tourism is accurate for Banks Island, NWT. Marsh and De la Barre (2006) added to Butler's description by claiming that tourism usually occurs because of a boom in other industries located in warm water locations. Similarly, Hinch and Swinnerton (1993) also recognized the difficulties regarding tourism development in the Northwest Territories within the broader context of change and how change is experienced. Robinson (1993) stated that aboriginal and Inuit cultures are important aspects of tourism in northern Canada. Marsh and De la Barre (2006) reinforced Robinson's assessment as they described the importance of tourism-based initiatives that are focussed on learning and participating in traditional culture-based activities such as hunting, fishing, wildlife viewing, and aurora viewing. Additionally, Hinch and De la Barre (2006) discussed how aurora tourism is a Northern Canadian icon and forms a central attraction for tourists.

2.52 Constraints and Opportunities for Tourism Development in a Northern and Rural Environment

In a more general sense, there are many constraints and opportunities for tourism development that were reviewed for this study. These constraints and opportunities provide an important context for the discussion chapter of this thesis. This section introduces the constraints of tourism development, followed by a discussion of the opportunities of tourism development.

Constraints. Literature identifies a multitude of constraints associated with tourism development, particularly rural and northern tourism development (Wilson et al., 2001; Joppe, 1996). Some of these constraints include a lack of an educated workforce, competition from the surrounding communities, seasonal employment in the tourism industry, and insufficient infrastructure (e.g. Baum, 2006; Marsh & De la Barre, 2006; Milne, 2006). Jolliffe and Farnsworth (2006) described how tourism seasonality in the Arctic can cause limited infrastructure and seasonal employment, which both hinder tourism development. Employment in the tourism industry is a disadvantage not only because of its seasonal nature, but also because it is perceived as low paying and has limited employee benefits (Smith, 1989; Wilson et al., 2001). Tourism's seasonal nature also leads to fluctuating profitability throughout the year (Wilson et al., 2001). This reality, combined with a northern environment, can result in a feast-or-famine business environment in rural communities. Joppe (1996) pointed out that in rural areas, people often need to be educated about the benefits of tourism for their communities. These benefits can be used as a way to prepare and spike the interest of the community

members. Furthermore, tourism often is a tool that invites competition from the surrounding communities (Wilson et al., 2001).

Marsh and De la Barre (2006) found that high start-up costs and limited tourists are the major constraints for tourism development on Banks Island, NWT. Additionally, Milne (2006) found that tourism development on Baffin Island, Nunavut, was constrained because of a lack of infrastructure financial support, high transportation costs, and lack of trained employees. Similarly, Kaae (2006) described how accessibility to Greenland, like other Arctic regions, is a key development issue related to the cost of infrastructure and travel. There are also challenges associated with culture preservation and integration; Notzke (1991) outlined that two of the largest challenges for tourism stakeholders in northern tourism development are how to preserve the aboriginal people's way of life and how to mould tourism into the existing culture.

Opportunities. Some of the literature discussed various opportunities associated with rural and northern community tourism development, including lower start-up costs, local development capabilities, encouragement of small business, and cooperation with local businesses (Joppe, 1996; Wilson et al., 2001). Rural communities generally have lower start-up costs for community tourism development than for manufacturing. Small tourism enterprises can be established with relatively small investments in training and capital (Wilson et al., 2001). In addition, community tourism can be developed in cooperation with local government and businesses, and with limited assistance from outside investors and companies (Wilson et al., 2001). Community tourism development encourages the growth of small businesses (Wilson et al., 2001), an example of which is the development of local tourist attractions. Once these businesses are developed, they

can join cooperative and partnership opportunities with other local businesses (Wilson et al., 2001). An example of this effort could be the linking of local accommodations with local attractions in packaged tours for tourists.

Specifically, northern tourism development has many tourist opportunities associated with northern locations, such as a unique northern culture experience, a chance for adventure and exploration, an opportunity to experience the midnight sun, or a chance to experience one of the coldest climates on earth (Gossling, 2006; Nilsson & Ankre, 2006). In regards to northern communities, northern tourism development is an opportunity for employment, new and improved infrastructure, increased awareness of northern cultures, and increased accessibility to communities (Nilsson & Ankre, 2006; Northern Affairs Canada, 2008; Thomson and Thomson, 2006).

2.53 Stakeholders and Tourism Development

According to Freeman's (1984) stakeholder theory, an organization is characterized by its relationship with various groups and individuals, including employees, customers, suppliers, governments, and members of the community (Sautter & Leisen, 1999). Community stakeholders can include various levels of government, nongovernmental organizations, residents, local industry, tourists, hosts, tour operators, the accommodation sector, and retail businesses (Choi & Sirakaya, 2006). Tourism development relies heavily on community stakeholders for ethical responsibilities, codes of conduct, decision making, and developmental processes (Choi & Sirakaya, 2006; Fennel, 1999; Herremans & Welsh, 1999; Tosun, 2000). Multi-stakeholder cooperation and participation are needed during all levels of planning and policy making to ensure that the tourism activities being developed suit the community goals (Choi & Sirakaya,

2006; Sautter & Leisen, 1999). Encouraging continual stakeholder involvement throughout the formulation, implementation, and adaptation of decisions ensures that tourism planning and management ideas are conducive to the stakeholders' views and wants, which will lead to greater success of tourism initiatives (Marsden & Murdoch, 1998; Yuksel, Bramwell & Yuksel, 1998). This is especially important when encouraging stakeholder participation in a new tourism subsector, such as diamond tourism in Yellowknife, NWT. As Reed (1997) pointed out, emergent tourism settings can create conflicts among stakeholders if appropriate measures are not taken during all levels of planning and development. Further, Reed (2008) suggested that stakeholders need to be represented systematically and classified accordingly. For example, using a systemic approach to categorize various interests groups and their level of commitment to an initiative will allow developers to encourage future stakeholder engagement.

The role and involvement of stakeholders in this research was vital to the success of this project. This is why all diamond tourism stakeholders that were located in Yellowknife, NWT were involved or approached to be involved in this study. The City of Yellowknife and the Government of the Northwest Territories have stated that it is important to understand what all the stakeholders of diamond tourism are thinking about this new subsector in order for it to be successful.

2.6 Social Economy Framework

This study focused on understanding the stakeholders' views about the constraints and opportunities for tourism. The social economy was utilized as a framework to further understand how tourism development uses social economy organizations to accomplish

diamond tourism development. The following section reviews the definitions of social economy, and discusses the social economy continuum.

2.61 A Definition

Researchers and governments in North America and Europe have shown substantial interest in the social economy (Amin, Cameron, & Hudson, 2002, 2009). Despite this interest, there seems to be an absence of a universally or a Canadian-embraced definition of social economy. There are many approaches to understanding the social economy, and this diversity has added a variety of interpretations and understandings (Restakis, 2006). Social economy can be defined in many different ways. The International Center of Research and Information on the Public, Social and Cooperative Economy (2007) defined social economy as the following:

Private companies created to meet their members' needs through the market by producing goods and providing services, insurance and finance, where profit distribution and decision-making are not directly linked to the capital contributed by each member, each of whom has one vote. The social economy also includes non-profit organizations that are private non-market producers, not controlled by government, produce not-for-sale services for specific groups of households and whose main resources come from voluntary contributions by the households as consumers, payments from the government and income from property. (p. 1)

Neamtan (2005) stated, "The term social economy refers to all forms of organizations or enterprises involved in the production of goods or services that are not private, for profit or public" (p. 15). In addition, the Canadian government has defined social economy as "separate from the private sector and government, the social economy

includes co-operatives, foundations, credit unions, NPOs, the voluntary sector, charities and social economy enterprises” (as cited in Western Economic Diversification Canada, 2007, p. 1). For this study, I have used the latter definition since it is a common definition among practitioners and government officials in Canada.

2.62 Social Economy Continuum

The literature on social economy describes a continuum of enterprises and organizations that comprise the social economy; however, there was a limited visual representation of this continuum (Painter, 2006; Quarter, 1992). Based on descriptions of the enterprises and organizations provided by Western Economic Diversification Canada (2007), Painter (2006), Quarter (1992), The Social Economy Suite (2008), and Amin, Cameron, & Hudson (2002), I constructed a representation of the social economy continuum that is illustrated in Figure 5. As shown in Figure 5, social economy organizations have been placed on the continuum in relationship to their level of reliance on volunteers and level of dependence on governmental funding. Some of these organizations operate within the cash economy and have many similar functions as the private sector; at the opposite end of the spectrum, some organizations rely so heavily on governmental funding that they are closely linked with government organizations (Canadian Social Economy Suite, 2006; Quarter, 1992). My contribution to this continuum has been to suggest that there are differences in NPOs that have a community focus and NPOs that have a private-sector focus. NPOs appear as an umbrella category in the middle of the diagram because some NPOs rely exclusively on volunteers and have more of a community focus, whereas some NPOs have paid employees that work closer with the private sector.

By knowing the source of funding for NPOs, it can be determined where they fit on the continuum. It is important to note that government grants derived from tax dollars are an important source of support for NPOs within the social economy (Courtney, 2002; Grønbjerg, 1993; Powell & Steinberg, 2006; Quarter, 1992; Saxon-Harrold, 1990).

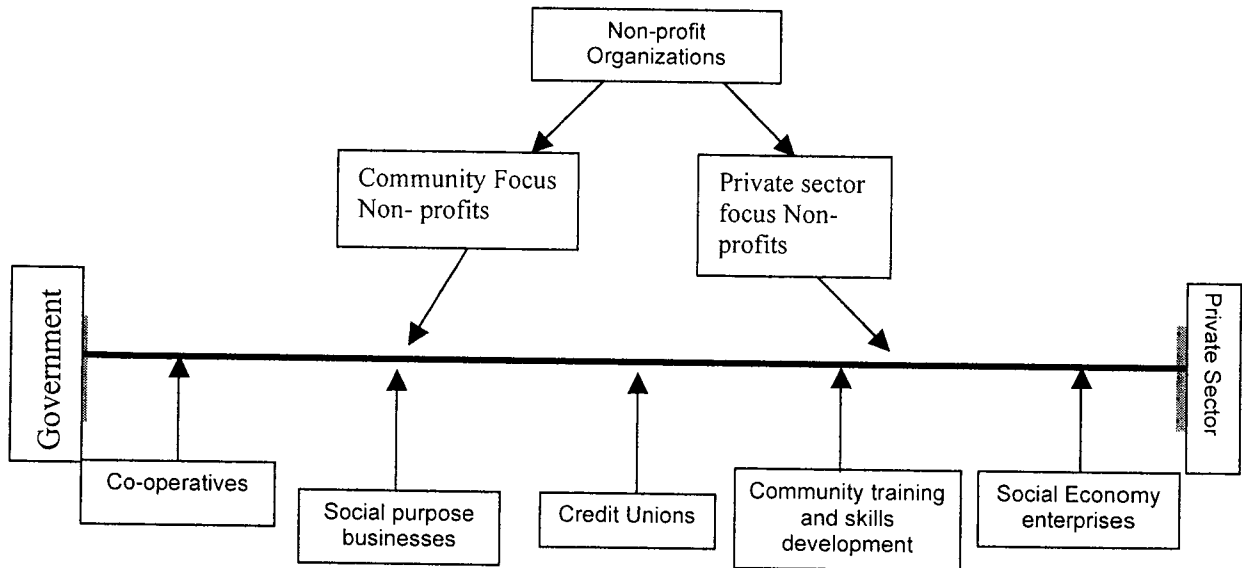


Figure 5. Social Economy Continuum.

Smith and Lipsky (1993) stated that government funding usually directs NPOs towards a community focus, whereas private-sector funding will generally direct the focus of NPOs toward the private sector. Typically, NPOs that contain a heavy community focus also rely more heavily on volunteers and governmental funding (Salamon & Anheier, 1997). In contrast, NPOs that are structured in a similar manner to the private sector, typically have more paid employees and less governmental funding (Salamon & Anheier, 1997). It is very important to point out that all NPOs vary greatly in their reliance on volunteers and governmental funding and that these conclusions have been based on a review of nonprofit organizations in the Yellowknife tourism industry.

Gunn and Var (2002) and Mill and Morrison (2002) pointed out that the tourism

industry often has a high reliance on NPOs, which help to develop tourism frequently by creating attractions, providing training, or marketing a region.

2.63 Nonprofit Organizations

Canada's nonprofit and volunteer sector is the most advanced in the world and accounts for 8.5% of Canada's GDP (Hall et al., 2005; Restakis, 2006). Canada's nonprofit sector has contributed \$75.8 billion to local economies and has employed 2,073,000 people in positions that are comparable to full-time employment (Hall et al., 2005; Restakis, 2006). The nonprofit sector has been growing in Canada since 1997, with substantial growth between 1997 and 1999 (Painter, 2006). Canadian NPOs can be funded primarily through different levels of government; in Canada, the majority of direct government funding comes from the provincial and territorial governments (Hall et al., 2005; Painter, 2006).

Volunteers are very important to nonprofit organizations in Canada (Barbetta, 1997; Hart, Greenfield, & Johnston, 2005; Sargeant & Wymer, 2007; Warburton and Oppenheimer, 2000). Hall et al. (2005) reported that 54% of nonprofit organizations rely on volunteers. Of the 19 million volunteers who were recorded in the national survey of nonprofit and volunteer organizations, 7% were serving on volunteer boards, and 93% were involved in non-board roles within the organization (Hall et al., 2005). Hall et al. (2005) reported that 49% of nonprofit revenue sources were from government, 35% came from earned income, 13% came from gifts and donations, and the remaining 3% came from other sources. NPOs can be defined as incorporated organizations whose objective is to support or engage in activities of public or private interest without any commercial or monetary profit (Behn, Devries, & Lin, 2007; Powell & Steinberg, 2006).

In summary, tourism NPOs involved in diamond tourism development can be associated with the social economy of northern Canada. In particular, Yellowknife's tourism NPOs share commonalities in their approaches as seen through their emphasis on having a board of directors, profit reinvestment, funding sources, and community goals and objectives. This understanding provided the organizational framework of social economy to further examine the constraints and opportunities of diamond tourism in Yellowknife.

This section defined social economy as it was used in this study and situated NPOs on the social economy continuum. Chapter 3 explains the methodology and discusses the choice of paradigm, researcher position, method of inquiry, research design, data collection tools, sample selection, and participants.

CHAPTER 3: RESEARCH METHOD

3.1 Introduction

The purpose of this study was to develop an understanding of the constraints and opportunities of diamond tourism in Yellowknife as seen by stakeholders. Chapter 3 covers the choice of paradigm, method of inquiry, the researcher's position, research design, sample selection and participants, and the ethical considerations for this study.

3.2 Qualitative Study

A qualitative approach was utilized because the methodological approaches of focus groups and interviews facilitated a greater investigation of the research problem in a comprehensive manner. Denzin and Lincoln (2003) stated that qualitative research can use multiple methods and be more interpretive about its subject matter than quantitative research. Qualitative research usually studies the participants in their natural setting, attempting to make sense of or interpret the phenomenon in terms of the meanings that people bring to it. Creswell (1994) defined qualitative research as “an inquiry process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem” (p. 13).

3.3 Choice of Paradigm

The paradigm chosen for this study was social constructivism. The four positions of social constructivism outlined by Creswell (2003) were utilized during the data collection and analysis processes. These positions include understanding, multiple participant meanings, social and historical construction, and theory generation. The basis of constructivism comes from the works of Berger and Luckmann's *The Social*

Construction and Lincoln and Guba's *Naturalistic Construction of Reality* (as cited in Creswell, 2003). Their works entail the following ideas:

Individuals seek understanding of the world in which they live and work. They develop subjective meanings of their experiences—meanings directed toward certain objects or things. These meanings are varied and multiple, leading the researcher to look for complexity of views rather than narrowing meanings into a few categories or ideas (Creswell, p 9).

Constructivism utilizes three assumptions as guidelines during the data collection process: human beings construct meaning as they engage and interpret the world around them; human beings rationalize the world around them through their historical and social understandings; and, human beings' initial understandings of the world are social and are created by interaction with a person's community (Creswell, 2003). The social constructivism approach is focused on the complexity of views rather than narrow meanings (Creswell, 2003), which is why this study broadly sought viewpoints and opinions from individuals across the mining and tourism industries.

3.4 Method of Inquiry

3.41 History of Grounded Theory

Complementing the constructivism choice of paradigm, the grounded theory method of inquiry was chosen. Grounded theory was developed by Glaser and Strauss in 1967. Their work evolved from a sociological study based on death and dying among terminally ill patients in a hospital setting (Charmaz, 2006). Grounded theory is rooted in the Chicago school of symbolic interactionism (Annells, 1996; Charmaz, 2006; Glaser,

2002; Jeon, 2004). Frequently, grounded theory is used in sociology and other disciplines and professions, including anthropology, management studies, environmental studies, and nature-based tourism (Charmaz; Connell & Lowe, 1997; Glaser, 2002; Corbin & Strauss, 2008, Hardy, 2005). However, grounded theory has become one of the most common methodological approaches in nursing research, natural resource management and tourism because of its inductive approaches to data collection and analysis (Connell & Lowe; Lomborg & Kirkevold, 2003; Morse, 2001). Many authors have discussed how grounded theory has generally increased popularity because of its appeal to positivists, as there is a strong correlation between this method and a positivistic way of thinking (eg. Strauss and Corbin, 1990; Hsieh & Shannon, 2005; Sarker, Lau, & Sahay, 2000).

Since 1967, grounded theory has evolved considerably and has diverged into three streams (Annells, 1996). First is the original approach to grounded theory developed by Glaser and Strauss (1967), referred to *classic grounded theory* as being post positivist. Classic grounded theory is conceptualized as being critically realist and having a theory of knowledge best described as *modified objectivism* (Annells, 1996). The methodology is constructed in a hierarchal sense, generally leading to an experimental or a survey design for theory verification (Annells, 1996).

In 1990, Strauss and Corbin began to modify the original works of Glaser and Strauss (1990) and began the second stream of grounded theory referred to as *Strauss and Corbin's grounded theory method* (Annells, 1996; Charmaz, 2006; Jeon, 2004). Strauss strived to advance grounded theory toward a method of verification that incorporated technological procedures and, with the help of Corbin, these concepts managed to change grounded theory and bring it to a new level (Charmaz, 2006). Strauss and Corbin's

grounded theory conceptualized it as being theoretically relativist and having a theory of knowledge best described as *subjectivist* (Annells, 1996). The methodology is a “construction of a framework for action which is localized, provisional and verified” (Annells, p. 121).

The third stream is evolving; however, Charmaz (2006) introduced constructivist grounded theory, which is conceptualized as being theoretically constructivist and relativist and having a theory of knowledge aligned with subjectivism (Mills, Bonner, & Francis, 2005). This stream is a post-positivistic approach. Constructivist grounded theory was utilized in this study; however, as Charmaz pointed out, each stream evolves into the next stream; thus, the following section discusses the characteristics and concepts of Strauss and Corbin’s (2006) grounded theory approach followed by a description of constructivist grounded theory.

3.42 What Is Grounded Theory?

Grounded theory is a method of inquiry that focuses on creating conceptual frameworks through a bottom up approach by building inductive analysis from the data (Charmaz, 2006; Glaser, 2002). Because grounded theory originated within symbolic interactionism, it was based on the notion that meaning is negotiated and understood through interactions with others in the social process (Starks & Trinidad, 2007). In addition, symbolic interactionism allows the researcher to determine the symbolic meanings that artifacts, clothing, gestures, and words have for groups of people as they interact with one another (Cutcliffe, 2000; Ritzer & Goodman, 2004). Grounded theory allows human characteristics to be revealed by the research, that is, grounded theory

explores social processes, defined as the phenomena of the social life of human beings (Charmaz; Lomborg & Kirkevold, 2003).

The methodological basis to grounded theory is a constant comparison method, which involves making comparisons during each stage of the analysis (Charmaz, 2006; Glaser, 2002; Glaser & Strauss, 1967). Benton (2000) stated that this process continues until the theory that is generated explains every variation in the data, that is, until saturation is achieved. Grounded theory allows the researcher to adapt and utilize various methods of data collection to minimize research gaps and maximize data collection to obtain saturation (Greenbaum, 1998). The researcher is thoroughly involved in the data analysis while the data collection process is being completed so that further data collection can be shaped and informed for saturation (Charmaz, 2006).

Grounded theory also involves the theoretical sampling of different groups (Creswell, 2003), and theory development advances during each step of data collection and analysis (Glaser, 1978; Glaser & Strauss 1967; Strauss, 1987). In addition, Cutcliffe (2000) explained that there are no limits on the number of participants, interviewees, or data sources. Data collection continues until saturation is obtained, which can be recognized when reoccurring themes emerge within the data and no new themes emerge (Charmaz, 2006; Glaser, 2002; Glaser & Strauss). When saturation is achieved, logical categories are directly grounded in the data (Charmaz, 2006).

Grounded theory as a method is centered on such concepts as credibility, auditability, fittingness, reflexivity, and saturation through constant comparison (Charmaz, 2006; Corbin & Strauss, 2008; Glaser, 2002; Jeon, 2004). According to Beck (1993), credibility is related to how vivid and reliable the description of the phenomenon

is. Chiovitti and Piran (2003) contended that credibility is related to the overall trustworthiness of the findings. In another words, credibility is achieved in a study if the data are validated, saturated, and presented without bias. Creswell (2003) and Creswell and Miller (2000) noted that validity adds trustworthiness, authenticity, and credibility to a study. Creswell (2003) also described eight strategies that can be used to validate a study: triangulation, member checking, rich and thick description, bias, negative or discrepant information, prolonged time, debriefing, and external auditor.

Validity for this study was completed through the use of Creswell's (2003) strategies. To ensure that triangulation was achieved, I used a variety of data collection processes, namely, a background review of previous studies and data collection via focus groups and interviews. Triangulation is the use of multiple methods, theories, data and/or investigators in the study of a common phenomenon (Duffy, 2007). Member checking was accomplished by returning the transcripts to the participants to ensure that a secondary review process occurred. Rich and thick description was utilized during the focus groups to identify what diamond tourism currently is and where the future idea of diamond tourism lies.

As mentioned previously, my views and opinions were written out prior to the data collection so that they could be reviewed upon completion of the analysis to determine any bias. I found that most of my knowledge of tourism in Yellowknife was based around a strong aurora tourism industry. After data collection for this study was completed, it was acknowledged that the aurora tourism industry is in a downturn. Therefore, my research bias was limited in the new study because of industry changes and the expiration of my previous knowledge. I lived in Yellowknife for a total of 8

weeks, to ensure that I could undertake an in-depth analysis of the data. This is not a prolonged period of time; however, due to research and travel expenses and other logistical issues, I was not able to spend more time in Yellowknife. Peer debriefing was completed by having a colleague review the industry reports and thesis reports. Some Lakehead University MES program students contributed by providing feedback on the logical display of information and contributed an additional validation process to this thesis.

In grounded theory, auditability refers to how well another researcher is able to follow the methods and conclusions of the original researcher and study (Chiovitti & Piran, 2003). This is achieved when the research can be retraced and followed to achieve the same outcomes and conclusions (Beck, 1993; Chiovitti & Piran, 2003). Fittingness, or transferability, refers to the probability that the findings have meaning and relevance to others in similar situations (Chiovitti & Piran, 2003). Measures were taken to ensure that this study was a systematic approach that provided an audit trail. Auditability was enhanced in this study by consistently using the same data collection methods to discover constraints and opportunities during the entire data collection process to achieve saturation. A focus group question outline (see Appendix A) was created so that similar timeframes were allotted during each topic that was discussed in the focus groups. By structuring the focus group in this fashion, auditability was increased by measuring each round of data collection in a structured way. In addition, reviewing the suitability of each stakeholder in the data collection process increased auditability during the data collection phase of the study. By ensuring suitability, a higher quality of data collection was completed and, in turn, reinforced the reliability of this study.

In addition, this study took into consideration reflexivity. McGhee, Marland, and Atkinson (2007) referred to reflexivity as having awareness as an individual and a researcher regarding how a particular social identity and background will affect the research process. In addition, researchers should be aware of the impact of previous life experiences, even previous reading, and reflect back on these experiences to measure their effect (McGhee et al., 2007). Cutcliffe (2003) stated that reflexivity rests on an awareness of self and has the opportunity to be partial. However, he stated that it remains important to share the researcher's reflections with the readers when possible. Reflexivity was an important concept for this study because having completed previous studies in tourism on Yellowknife and having travelled throughout the Great Slave region, I felt that it was important to reflect on previous experiences to be aware of research biases. By knowing the impact of my previous experience I would be able to prevent past research observations from entering my new research.

3.43 Methodological Concerns about Grounded Theory

Since its development, grounded theory has been greeted with skepticism and questions by other researchers and constructivists (Cutcliffe, 2003; Munhall, 2001; Hutchinson, 1993; Dey, 1999). One critique of grounded theory is that it is a post-positivistic approach (Mills, Chapman, Bonner & Francis, 2007; Hallberg, 2006; Harris, 2003). Hallberg (2006) and Harris (2003) state that grounded theory does not have the rigour that quantitative research contains through a positivist method. However, like all qualitative methods, ground theory uses particular approaches to address concerns related to credibility and auditability, the two major issues of method critiques.

Specific concerns around methods in grounded theory that could have affected

this study include sampling, reflexivity, and the use of literature. Sampling has been a concern among researchers because grounded theory fails to set a limit on the number of participants, interviewees, or data sources (Cutcliffe, 2000). An important aspect to consider is the scope of the research question. If a study has a very broad research question, then it is possible to require a greater amount of data before saturation is achieved (Morse, 2000; Sobal, 2001). Grounded theory data collection continues until saturation is achieved and a theory has emerged; therefore, sampling is theoretical, not purposeful (Strauss & Corbin, 2006; Cutcliffe, 2000). This concern can be minimized by having the researcher describe the sampling strategy in adequate detail and by minimizing the scope of the research (Thomson, 2004; Cutcliffe, 2000).

The second methodological concern is reflexivity. To a larger extent than most qualitative studies, the researcher is more involved in grounded theory, which gives rise to the concern that the researcher has influence over the collected data and the emergent theories (Strauss & Corbin, 2006; Cutcliffe, 2000). This concern can be avoided by discussing researcher bias prior to initiating data collection: It is hoped that having an understanding of one's own views and opinions beforehand will minimize any researcher influence on the outcomes. The final concern about grounded theory is the use of past literature. Grounded theory sometimes avoids conducting a literature review prior to data collection because the researcher hopes that the emergent theory will be grounded in the data, not the literature (Cutcliffe, 2003; Stern 1994; Strauss and Corbin, 1994). Critics have asserted that a comprehensive literature review will help to identify knowledge gaps and direct the research in a more purposeful manner. This concern can be minimized by waiting until the data collection process has begun so that the literature can support

emerging theories as the study progresses (Cutcliffe, 2003). However, some researchers feel that the literature review should take place first because it helps to identify knowledge gaps (Hutchinson, 1993).

3.44 Use of Grounded Theory in Tourism and Social Economy

Grounded theory has been used in several tourism and social economy studies. For example, Connell and Lowe (1997) used grounded theory to research the processes involved in the internationalization of the hotel industry. Their study focused on franchising, and they reviewed two international franchise hotel chains. In addition, Hardy (2005) used grounded theory to explore the relationship among stakeholder analysis, perceptions of tourism-induced change, and sustainable tourism. Hardy used interviews and focus groups as the primary method of data collection. Martin (2006) used long interviews for grounded theory to create learning exercises for training analysts and executives. Jennings and Juneck (2007) discussed the usefulness of grounded theory in tourism research because it considered an innovative research tool for social sciences. Green and Chalip (1998) used interviews for grounded theory to examine participant motivations of travelling to a sporting event. Seel (2008) used grounded theory to study social economy and determine whether sustainability is present in NPOs in Canada. Dudley (2007) used a grounded theory approach to examine the social economy of single motherhood in America. To summarize, grounded theory has been used in a variety of areas in tourism and social economy.

3.45 *Grounded Theory in This Study*

This study utilized constructivist grounded theory. At the forefront of this recently developed stream of grounded theory was Charmaz (Glaser, 2002; Jeon, 2004; Mills et

al., 2005). Charmaz stated that “reality is a construction that is made by human beings: Therefore, a grounded theorist constructs an image of a reality, not the reality” (p. 14). Constructivist grounded theory is conceptualized as being theoretically relativist and having a theory of knowledge best described as subjectivist and allows for constant interaction between the researcher and study participants throughout the research process (Mills et al., 2005). Therefore, people can have knowledge only of what they experience, and beliefs are not absolute and can change from culture to culture and situation to situation (Charmaz, 2006).

Three requirements of constructivist grounded theory were taken into consideration for this study to further my understanding of the application of grounded theory; however, the requirements were not completely met as they were intended. The following is an account of the three requirements. First, a sense of reciprocity between the researcher and the stakeholders needs to be created to ensure the construction of meaning and theory grounded in the experiences of the participants and the researcher (Mills et al., 2005). This was approached by creating the study proposal in a cooperative manner with the research partners and by reporting and presenting the final outcomes to community and industry stakeholders. In return, research funding and logistics were provided to the researcher.

Second, the establishment of relationships was needed to clarify and modify power imbalances (Mills et al., 2005). This was completed by personally inviting each participant to participate in the study via the telephone or in person. In addition, meetings were scheduled over coffee and sometimes lunch to increase this interaction.

The last requirement involved having an understanding of reflexivity and taking steps toward transparency (Mills et al., 2005). This was accomplished prior to data collection by taking the time to reflect on my past studies, readings, and experiences. Transparency was attempted by having ongoing communication with community partners; however, issues of confidentiality and anonymity needed to be considered. This meant that communication needed to be censored and checked to ensure that no identifying information was inadvertently passed on.

3.5 Researcher's Position

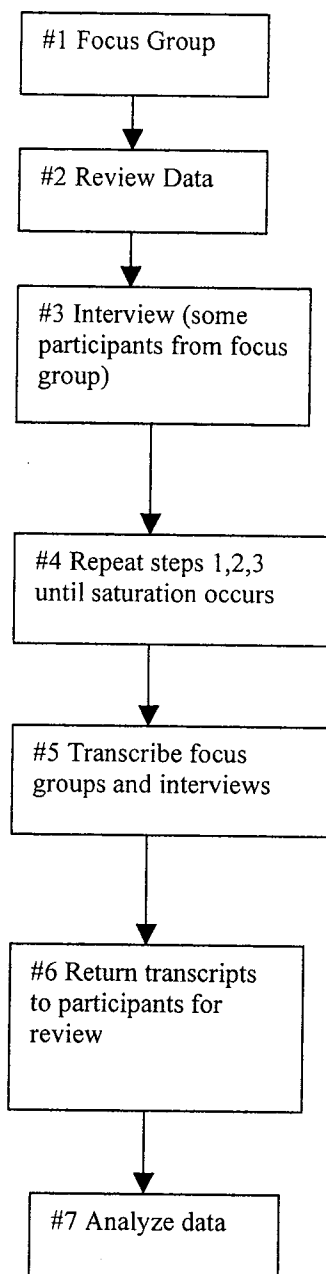
In a qualitative research study, it is imperative that I understand how my background influences my interpretation of the collected data. The community and participants viewed me as “a southerner,” and outsider. Typically southerners are seen as having difficulty understanding the northern context and experience in Yellowknife. However, in this case being seen as an outsider had a positive aspect to it. Because the topic of diamond tourism had already been debated extensively in the community, the topic was considered controversial by many of the participants. This meant that participants may have been reluctant to talk about the topic freely to a researcher from within the community. The NFVA recognized the benefits of having an outsider conduct focus groups and interviews because of past events and conflicts that had taken place. The community partners recognized that because the researcher was not a member of the community, the stakeholders could be more willing to contribute to the study because of the researcher's assurance of confidentiality and anonymity of their input. During data collection for the study, it was evident to me that the participants felt comfortable explaining situations and stating their viewpoints and opinions.

I recognized at the beginning of this study that I had a weak background in mining, but I did have previous experience with tourism studies in the Yellowknife region. To compensate for this imbalance, I wrote out all of my personal views, opinions, and thoughts about the two sectors prior to arriving in Yellowknife. This was accomplished in 2 hours by developing a point-form Word document. This document was later reviewed to ensure that my original viewpoints and opinions were not carried forward into the study (see Creswell, 2003). My previous Yellowknife tourism research had identified a series of thoughts and opinions that could affect this study. Steps were taken to limit researcher bias by reviewing all previous studies to ensure that earlier ideas and conclusions were not carried forward unless they were clearly stated by the participants in the current study. Similarly, I thought about my previous experience at Tourism Kamloops and how it would affect me as a southerner coming into Yellowknife. During my data collection I was conscious about my past experiences and ensured that I did not impose my ideas into discussions. Another weakness that I assessed in myself was limited experience in conducting focus groups. To minimize this weakness, I conducted a literature review on how to conduct focus groups. I compiled a list of positive and negative things to do while conducting focus groups and made a point of reviewing this information prior to entering the focus groups.

3.6 Research Design and Data Collection Tools

The research design for this study included a seven-step data collection process (see Figure 6). Two data collection methods were used. Focus groups were conducted, and interviews were completed as a follow-up procedure. The interviews were utilized to fill the research gaps that were discovered in the focus group recordings and transcripts.

In addition, an interview was scheduled if a focus group participant was able to contribute more information on a particular subject. For example, if a participant seemed



knowledgeable about the airport, he or she would be interviewed to find out more about the airport. The interviews also were used as a tool to involve several key stakeholders who were unable to attend any of the scheduled focus groups. A list of focus group and interviews questions can be found in Appendix D.

Figure 6. Data collection process.

Selected stakeholders were interviewed because they played a central role in the creation and development of diamond tourism in the NWT. The semi-structured interviews were conducted privately and in person with each participant.

To conduct focus groups, Greenbaum (1998) recommended having a moderator and an observer (a neutral participant). The general role of the moderator is to “be nondirective and to facilitate free, open discussion by all group members” (Neuman, 2007, p. 300). The role of the observer for this study was to supply a second opinion and to assist me as the moderator to identify saturation. As well, the observer paid attention to active and inactive participants and pointed out who were the less active contributors during the discussions (see Greenbaum, 1998). This allowed me to initiate discussion with quieter participants and to follow up the focus groups with the interviews.

Aside from the focus groups and the interviews, various activities were undertaken so I could familiarize myself with my research environment. Since the research paradigm had a constructivist approach and was a process of interaction, I felt that it was important to attend various local events, conferences, and social gatherings during the data collection phase of this research. I was a participant in “Yellowknife 2007,” an annual conference for the Geological Association of Canada and Mineralogical Association of Canada. This activity gave me a greater understanding of the mining industry of the north. I also networked within the mining industry of Yellowknife, another activity that strengthened the mining industry’s involvement in this study. Prior to this study I also had networked with many of the tourism stakeholders who were involved in this study.

3.7 Sample and Participants

3.71 Sample

Although grounded theory utilizes theoretical sampling, aspects of purposive sampling were also used in this study. This form of sampling is taken when the researcher uses special knowledge, expertise, or past experiences to select the participants from a specific group to represent the target population (Berg, 2004). Purposive sampling aligns well with grounded theory because it allows the researcher to adapt the sample as the research process develops. It also allows the researcher to obtain saturation relatively early because of targeted participant involvement. Purposive sampling was used for the selection of all of the participants, except one who, because of an interest in the study, had been referred by another study participant. After consideration of the role of this individual in the community, I assessed that it was suitable to have this individual involved.

During the summer and early fall of 2007 in Yellowknife, I conducted 4 focus groups and 18 interviews with 20 participants. Twelve people participated in the 4 focus groups, and 8 people from the focus groups were interviewed afterwards. Then 8 additional participants who had been unable to attend focus groups were interviewed. Two participants were interviewed twice because once the interview transcripts were reviewed, it was evident that they could contribute further to the study. During the interviews, the participants were asked about their views on the constraints and opportunities for the development of diamond tourism in NWT. The purpose of the focus group was to address the constraints and opportunities in a group setting as seen by the

focus group members. Interviewees were questioned on topics that had arisen during the focus groups.

3.72 Selection of Participants

Due to confidentiality and anonymity requirements outlined by the Lakehead University Research Ethics Board, the names of participants and the organizations they represented cannot be revealed. Table 1 provides some general information about the participants of this study. To ensure their anonymity, pseudonyms have been provided, and ranges have been created for the age and length of residency categories.

Table 1

Characteristics of the Participants

Name	Age	Gender	Employment sector	Marital status (married/single)	Length of residence in Yellowknife
Alex	46-55	M	Government	M	Whole life
Emma	36-45	F	Tourism	S	6-10 years
Tyler	46-55	M	Mining	M	0-5 years
Hailey	36-45	F	Government	M	11-20 years
Carter	26-35	M	Tourism	S	Whole life
Mya	46-55	F	Tourism	S	21-30 years
Andrew	46-55	M	Mining	M	11-20 years
Katelyn	56-65	F	Tourism	M	Whole life
Lucas	56-65	M	Tourism	M	Whole life
Dominic	66-75	M	Mining	M	Whole life
James	36-45	M	Tourism	M	11-20 years
Cody	56-65	M	Government	M	Whole life

Table 1 (continued).

Name	Age	Gender	Employment sector	Marital status (married/single)	Length of residence in Yellowknife
Aaric	56-65	M	Mining	M	Whole life
Dave	46-55	M	Government	S	11-20 years
Kevin	56-65	M	Government	M	Whole life
Brad	36-45	M	Mining	S	6-10 years
Adam	26-35	M	Government	S	0-5 years
Mason	26-35	M	Mining	M	6-10 years
Hunter	46-55	M	Mining	M	6-10 years
Jackson	46-55	M	Mining	M	21-30 years

Table 2 illustrates the types and functions of the organizations represented by the participants. It provides a list of industry sectors and levels of government that were for involvement in the focus groups and the interviews. Several organizations and individuals exist within each of these categories, aiding the confidentiality of the participants. One important factor in the selection of these organizations was their role in diamond tourism. The information in Table 2 facilitated the selection of the participants and the organizations.

Table 2

Organizations Involved in Diamond Tourism Development

Organization	Function of organization	Role of organization in diamond tourism
Municipal government	To be responsible for most community affairs and includes related boards and commissions (e.g., economic development, school board, parks and recreation, etc). It provides many of the services within a local boundary that residents rely on every day (e.g., airports, animal control, child welfare, etc).	Establish diamond tourism on national tourism strategies. Provide financial support for diamond tourism initiatives. Provide research on diamond tourism.
Territorial government	To be responsible for issues stated in Canada's Constitution and is responsible for the administration of justice, culture and tourism, highways, etc. The territory directly funds or transfers money to institutions to ensure delivery of these essential services.	Provide financial support for diamond tourism development initiatives. Provide research on diamond tourism.
Accommodation sector	To provide accommodation services to visitors and community members during their stay in Yellowknife.	Provide diamond-seeking tourists with accommodations during their stay.
Destination Marketing organizations	To market tourism sectors in the NWT to a global market and to attract tourists to the region.	Attract diamond-seeking tourists to Yellowknife.
Aurora borealis industry	To provide inbound tour groups with a Yellowknife aurora borealis viewing experience.	Provide aurora tourists options for purchasing diamonds and completing diamond tourism activities.

Table 2 (continued).

Organization	Function of organization	Role of organization in diamond tourism
Visitors association	To provide visitor services to regional tourists and the community.	Inform diamond tourists of all diamond tourism activities. Provide research on diamond tourism.
Tour operators	To be an inbound tour operator for group travel, FIT travellers and business travellers.	Guide and direct diamond seeking tourists to attractions, exhibits, displays and retailers.
Attractions	To service the Yellowknife area with a quality enjoyable experience.	Provide entertainment through attractions to diamond tourists.
Cutting and polishing facilities	To cut and polish Canadian diamonds from the three diamond mines in the NWT.	Provide employees for cutting and polishing displays to tourists.
Diamond mines	To explore and extract diamond rich deposits while giving back to the communities and creating a lasting legacy.	Provide financial support for diamond tourism initiatives.
Mining associations	To represent the businesses and organizations that are involved in mining.	Provide mining tourists with information guidebooks.
Retailers	To sell merchandise, such as diamonds, art, souvenirs, and gifts.	Sell merchandise to diamond tourists.

It is important to point out the involvement of aboriginal groups in this study. Aboriginal groups were identified as important groups to include in the data collection process. After identifying several aboriginal groups, along with all other stakeholders, I

proceeded to contact all my participants. After several attempts through phone calls and e-mails I was able to include individuals from two aboriginal tourism groups. One person committed to a focus group, and one person, due to scheduling conflicts, committed to an interview. On the day of the focus group the first person did not show up, so an attempt to include that person in another focus group was made. Several attempts to reconnect with the individual were unsuccessful. On the day scheduled for the interview with the second person that individual contacted me to cancel. Several attempts were made to reschedule, but all attempts were without success. Having said this, some of the participants involved were people of aboriginal decent, though not specifically working for aboriginal tourism organizations; however, I have not highlighted this in my descriptions of participants because an important aspect of this study was to conceal identification of my participants and this level of detail might affect confidentiality and anonymity standards in this study.

Table 3 shows the organizational structure of all NPOs involved in this study and illustrates their role in the social economy. The table provides a list of NPOs that have a general interest in diamond tourism development and presents information as about their function, mandate, funding sources, and board/staff organizations. This information may help to illustrate the significance of the involvement of these NPOs in this study.

Table 3

Characteristics of NPOs in Yellowknife Who Are Involved in Diamond Tourism Development

Organization	Function	Mandate	Funding	Board and staff
Northern Frontier Visitor Association (NFVA)	Assist in tourism development in the North with a proactive approach to tourism related issues. Work closely with all levels of government. Member-based	To promote and maintain tourism in the North Slave Region.	Membership, advertising, donations, government	Paid staff, volunteer board
NWT Tourism	Destination Marketing Organization & tourism industry association, Member-based	To market tourism in the NWT to a global market	Government, advertising, memberships	Paid staff, volunteer board
NWT Mining Heritage Society	Preserve and promote mining heritage in the Northwest Territories.	To establish a mining heritage centre at Giant mine site	Membership, fundraising, government, donations	Volunteer staff, volunteer board
Prince of Wales Heritage Centre	Showcase the territorial museum, the NWT Archives, and heritage programs that extend into the community.	To preserve the heritage and culture of the Inuit, Inuvialuit, Dene, Metis, and non-Aboriginal peoples of the NWT.	Primarily territorial government, fundraising, donations, on-site gift shop	Paid staff, volunteer board

Table 3 (continued).

Organization	Function	Mandate	Funding	Board and staff
NWT Chamber of Mines	Represent the interests and concerns of the mining industry in the Northwest Territories and Nunavut.	To promote the industry and the north to northerners, Canadians, and the world	Membership, fundraising	Paid staff, volunteer staff, volunteer board
Diamond Tourism working group: Product development	Coordinate the diamond display through the NFVA	To encourage and plan product development for diamond tourism	Government, private investment	Ad hoc, volunteer committee
Diamond Tourism working group: Marketing	Coordinate various marketing initiatives	To encourage and plan marketing initiatives for diamond tourism	Government, private investment	Ad hoc, volunteer committee

3.8 Ethical Considerations

This study took all necessary steps to ensure that ethical considerations were an integral part of this study. Initially, I applied to the Lakehead University Research Ethics Board for approval to conduct this study. University ethics approval ensured that this study upheld the ethical standards set by the university and by the Tri-Council Policy Statement. Upon ethics approval, I applied for a northern research license through the Aurora Research Institute in the NWT. Both of these approval processes require a follow-up written report upon completion of the data collection process.

Prior to starting any data collection, the participants in the study were given two pieces of information that needed to be reviewed and signed. The first was an information letter that described the study; discussed the data collection process; and, provided contact information for me, my supervisor, the university research ethics board, and the Aurora Research Institute (see Appendix B). The second letter was a consent form that had to be signed by each individual prior to participating in a focus group or interview (see Appendix C). The consent form explained the anonymity and confidentiality issues and clarified that all focus groups and interviews would be recorded and then transcribed. It also was pointed out to the participants that they would have the opportunity to review the transcripts and add to or clarify their responses. Anonymity was ensured by using pseudonyms instead of the participants' real names, removing any identifying information, and citing ranges to describe their ages and years of residence in Yellowknife. Confidentiality will be ensured by storing all of the collected data in a secure environment at Lakehead University for 7 years.

CHAPTER 4: ANALYSIS

4.1 Introduction

The aim of this study was to understand stakeholder views of constraints and opportunities of diamond tourism in Yellowknife in the NWT. This chapter describes the method of analysis used in the study. The method of analysis is consistent with the grounded theory method of inquiry. The chapter describes the three steps of analysis and illustrates how each step was completed in this study.

4.2 Method of Analysis

The method of analysis in this study mirrors the three-step coding process created by Glaser (1987) and modified by Strauss and Corbin (1990, 1998, 2008). Charmaz (2006) described the process of coding as one of labelling and categorizing the entire data set to allow larger themes to emerge from the data. This three-step coding process begins with open coding, that is, a review of the data without any preconceived ideas to develop themes (Glaser, 1978). The second step is axial coding, which requires an intense analysis of each concept separately (Strauss, 1987). The final stage of analysis is called selective coding, which reviews all of the concepts, also known as variables, in search of the central concept that pulls the other concepts toward it. Once this concept is selected, the researcher can begin to tell the main story underlying the research material. The following sections review the three levels of coding and describe how each level was conducted.

4.21 Open Coding

Open coding is the first phase in grounded theory analysis. Strauss and Corbin (1998) described this stage of running the data “openly” as “breaking down the data into

discrete parts, closely examining each part, comparing the similarities and differences, and then questioning the phenomena reflected in the data” (p. 102). Glaser originally termed this procedure the *concept indicator model*, which is based on the “constant comparison of indicators by consistently identifying similarities and variations in texts” (as cited in LaRossa, 2005, p. 841). Consistency is the key for this model to be effective, and all indicators, subindicators, and concepts must be discovered in the same way.

It is important to review the terms *concepts*, *indicators*, and *subindicators* to further understand this analysis phase. LaRossa (2005) stated that concepts are labels that provide an all-encompassing idea of the indicators that are associated with a concept. In contrast, indicators are the words, phrases, and sentences that help to describe the concept that they relate to (LaRossa, 2005). In addition, subindicators provide another level of detail for the indicators so that they can be communicated effectively. During the open coding process, it is important to compare possible concepts and indicators with other concepts and indicators in a similar fashion to ensure consistency in categorization.

In order to conduct open coding, I transcribed all of the recorded focus groups and interviews. Open coding was then conducted through a review of these transcripts. I reviewed all transcripts thoroughly rather than using a computer program because I wanted to become completely familiar with my data. I then found it possible to undertake all the coding steps basic on this thorough understanding. At first, the transcripts were simply read. The second review involved highlighting all phrases, sentences, and words that related to the general areas of constraints and opportunities of diamond tourism. The final review focused on double-checking that all of the indicators were highlighted and

that the transcripts were thoroughly reviewed. Finally, the concepts and indicators were grouped together under the general headings of *Constraints* and *Opportunities*.

4.22 Axial Coding

Axial coding is the second phase of Glaser's (1978) grounded theory analysis and is centered on intense analysis of one concept at a time. Strauss and Corbin (2008) referred to axial coding as "crosscutting or relating concepts to each other" (p. 195). A helpful analogy is to visualize this level of analysis as a bicycle wheel, with a concept placed in the middle of the wheel that is linked to the related indicators as spokes. Essentially, this level of coding attaches indicators to concepts and organizes the open-coded data. Concepts are usually discovered during the first stage of analysis and then analyzed further and linked during the axial coding. Indicators are an important part of axial coding because they answer the "when, where, why, who, how and with what consequences" of the indicators (LaRossa, p. 847; see also Strauss & Corbin, 1998).

Axial coding is considered more of a process than any of the other phases and is commonly defined as coding for process, in another words, "a process of relating [concepts] to their [indicators]" (Strauss & Corbin, 1998, p. 123). Strauss and Corbin (1990) referred to "six Cs that can be used in a full-scale examination of process necessities: causes, contexts, contingencies, consequences, covariances, and conditions" (p. 153). The process of finding the six Cs in data is a distinctive feature of axial coding. Figure 8 illustrates how the six Cs are used to validate a concept.

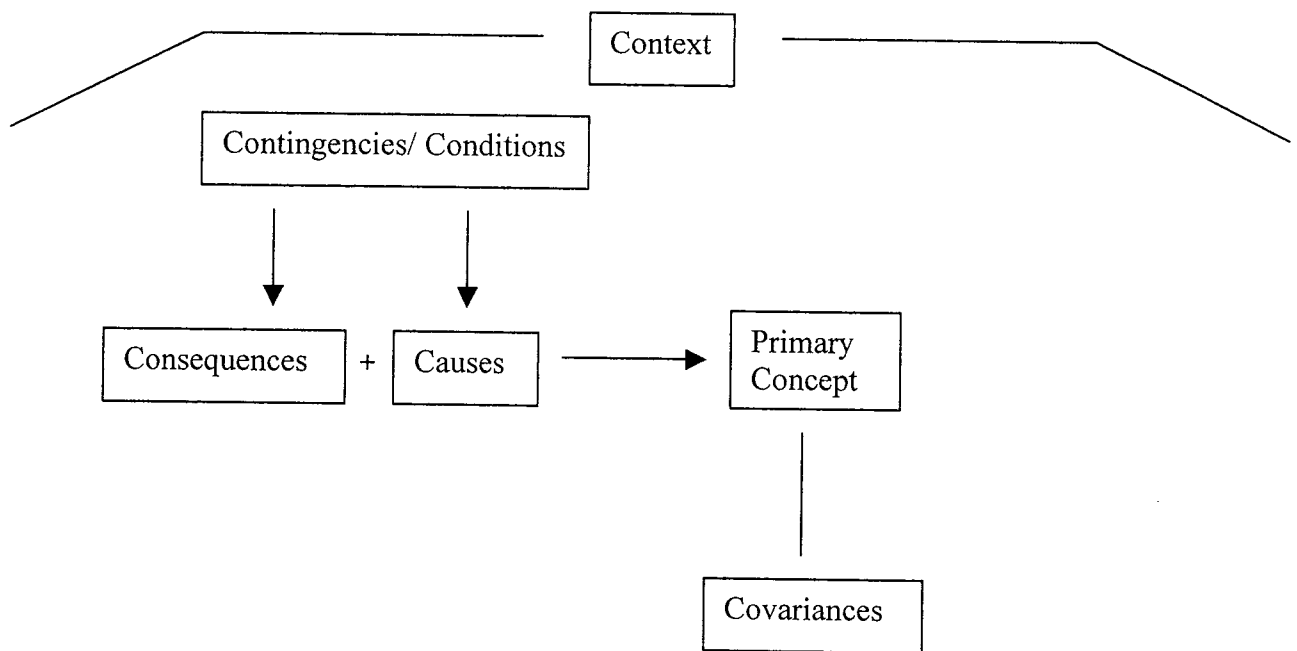


Figure 7. Axial coding: Six Cs process; adapted from LaRossa (2005).

In Figure 8, context is the umbrella variable that refers to environmental factors, such as sociocultural setting, historical era, and economical situations. To incorporate context into axial coding, usually questions related to the how and when aspects should be asked to help to identify the primary concept: How would these linkages be different if the study were conducted in a different location? and How would these linkages be different if this study were conducted in a different timeframe?

After the context is taken into consideration, contingencies and conditions must be looked at. These two terms can be linked because they are moderating variables and help to show a relationship between two concepts. These variables may lead to questions related to “why” and “what”: Why is there a relationship between Concept 1 and Concept 2 of diamond tourism? or What are the conditions that will affect the relationship between Concept 1 and Concept 2? Contingencies and conditions directly affect causes

and consequences; together, they lead the researcher through another set of validating questions.

In these variables, the questions usually relate to the “what” questions of the study. For example, what caused the relationship between Concept 1 and Concept 2? or What is the impact of Concept 2 and Concept 3 to the primary concept? The final variable to consider is the covariances that factor into the primary concept. Covariances relate to how much a concept can change if contextual changes occur in the research environment. To validate the primary concept with the variable covariances, questions relating to how should be asked: How would the primary concept change if cooperation was not a concept? or How can the primary concept be affected?

Axial coding was completed in this study by using the items in Figure 8 to filter each of the concepts for validation. Once all four concepts were validated, I needed to link all of the indicators to each of the concepts. To do this, I printed all the indicators under the broad themes of *Constraints* and *Opportunities*, cut out each of the indicators, and separated the indicators into the four concepts. After writing the concepts onto a large sheet of paper, I taped each of the indicators under the corresponding concepts and then hung the large sheets on the wall to observe. After a few days, I returned to the large sheet and reviewed each indicator and where it was located to ensure that all angles had been considered properly and in the correct context. Upon completion of the axial coding, I continued on to the final stage of coding, which is selective coding.

4.23 Selective Coding

The final phase of grounded theory analysis is selective coding. This level of coding identifies a primary concept and is considered the “delimited coding that is done around a centrally important [concept]” (Glaser, 1978, p. 61). According to Strauss and Corbin (2008) “the [primary concept] has ‘analytic power’ because of its ability to pull the other [concepts] together to form an explanatory whole” (as cited in LaRossa, 2005, p. 851; see also Strauss & Corbin, 1998, 2008). To build on this, LaRossa (2005) pointed out that the primary concept that is centrally relevant to the overall topic is usually theoretically saturated. Essentially, for a concept to be theoretically saturated, the data must be collected from places, people, and events that maximize opportunities to develop the concepts in terms of their properties and dimensions, uncover variations, and identify relationships between the concepts (Strauss & Corbin, 2008). Once this concept is selected, then the main storyline underlying the analysis can be constructed (LaRossa, 2005).

To complete the selective coding phase of analysis, I reviewed the large sheet of paper to see which of the concepts appeared to be most saturated or, in another words, have the most developed concepts. Saturation during this stage of analysis is “the development of [concepts] in terms of their [indicators], variations, and if theory building, the [description] of relationships between concepts” (Strauss & Corbin, 2008, p. 143). Through a visual representation of the data set, it became clear which concepts were theoretically saturated and centrally discussed in the focus groups and the interviews. The primary concept was noticeable because of the cluster of indicators that surrounded it. The themes of *Constraints* and *Opportunities* had a similar number of

indicators under each, and it was clear that the primary concept had been discovered. Once this concept was identified, I reviewed all of the concepts by looking for the underlying story by reviewing the order of how the concepts interact with each other.

To summarize, this chapter reviewed the three phases of grounded theory analysis: open, axial, and selective coding. All phases were discussed and illustrated, followed by a description of the steps taken to complete each level of coding. The following chapter presents the findings of this study.

CHAPTER 5: FINDINGS

5.1 Introduction

This chapter discusses the findings related to the constraints and opportunities of diamond tourism. During the axial coding phase of the analysis, the four concepts that were identified were cooperation, development, management, and diversification; each is discussed here individually with reference to constraints and opportunities identified by the participants in the focus groups and the interviews. In order to provide a general overview, Table 4 outlines the four main concepts and provides a description for each as it relates to this study on the constraints and opportunities of diamond tourism in Yellowknife. Cooperation is the first concept I discuss, and it primarily refers to partnerships among various organizations interested in diamond tourism. Development, the second concept, refers to improvement and expansion of attractions that foster diamond tourism activities. The third concept is management, which occurs simultaneously with development, and this involves activities related to planning, organizing, and monitoring the development of diamond tourism initiatives. The last concept is diversification and this is the outcome of management and development of tourism initiatives.

Table 4

Definitions of Four Concepts Discovered in the Findings

Indicator	Meaning in this study
Cooperation	Interaction among all levels of government, mining and tourism industries, and nonprofit organizations
Development	The creation of infrastructure and diamond tourist activities that will support diamond tourism as a tourism subsector
Management	Activities that plan, organize, fund and monitor diamond tourism initiatives
Diversification	Two levels: <div style="margin-left: 40px;">Diversify the tourism industry</div> <div style="margin-left: 40px;">Diversify the local economy through tourism</div>

The selective coding phase indicated that development was the primary concept. The first indicator to be discussed is cooperation, the concept that sets the scene.

5.2 Cooperation Constraints and Opportunities

Cooperation constraints and cooperation opportunities have different indicators that are illustrated in Table 5. Under the area of cooperation constraints, the indicators include *access to mines*, *lack of support*, and *collapsed or failed initiatives*. Under the area of cooperation opportunities, the indicators include *partnerships* and *tourism strategies*.

Table 5

Cooperation Indicators and Subindicators

Cooperation		
	<u>Indicator</u>	<u>Subindicator</u>
Constraints	Access to mines	Distance to the mines from tourist centres
		Lack of transportation options to the Mines
		Lack of permission to visit the Mines
	Collapsed or failed initiatives	Failure of 'Rare in Nature Program'
		Collapse of the GNWT diamond division
		Collapse of Tourism Training North
Lack of support	Aurora College cutting and polishing program did not operate in spring of 2007	
	Lack of recognition from governments, DMO, and mines	
	Lack of financial support from governments and industry	
Opportunities	Partnerships	Lack of tax breaks for jewellery stores and tourists
		Government and industries can create partnerships
		Packages can be created for accommodations, airlines and attractions
	Tourism strategies	Packaged diamond tourism tours can be created
		Diamond tourism can be a bigger part of the tourism strategy
		Money from government certification program has been redirected to diamond brand promotion

5.21 Constraint - Access to Mines

Under the constraint of *access to mines* are three subindicators: (a) the distance between Yellowknife and the diamond mines; (b) the lack of transportation options to and from the mines; and, (c) the lack of permission from the diamond mine corporations

for tourists to enter their sites. The participants perceived the distance between Yellowknife and the diamond mines as a major constraint to transporting tourists to mines for guided tours. All mines are located 200 to 300 kilometres from Yellowknife, making it a time-consuming journey by land (between 15 and 20 hours) or an expensive one by charter aircraft (Diavik, 2008; Ekati, 2008). Adam confirmed this constraint by saying: “I don’t think tourists can even get on a plane to the mines because flights are scheduled by the mines, tourists would have to charter their own flights and I think that would be fairly expensive for them.”

When discussing the variety of ways tourists could get to the mines, 2 participants noted that although workers at the mines are regularly transported by air, there is no guarantee that tourists would be able to participate in this schedule, nor would it be flexible enough to accommodate tourists. The mines are accessible during the winter via ice roads, but 8 participants noted that there are no service stations along the road and that harsh winter conditions, along with primarily industrial traffic, make safety a major concern for road travel. James stated:

Once again, the assumption’s always there that tourists can drive to the actual diamond mine. But this is impossible because there are no . . . there are no check stops, or gas stations for 300 km one way . . . so you have 600 km with no services at all. So we’re certainly not going to risk people’s safety and stuff.

Additionally, Kevin, who was in the same focus group, expanded on James’ statement: “And there’s trucks on the roads! Those big rigs on that ice road, you do not want to get in their way. They’re going slow, but they have a job . . . they’re out there for a reason.”

The final subindicator is the lack of permission from the mining companies for tourists to enter their sites. Adam mentioned that the lack of “willingness of the mining companies to accommodate tours is pathetic and an issue.” Several participants mentioned that the mining companies will only let “VIPs” visit the mines or, in some cases, groups of people who represent a specialized area of the diamond mine site. For example, engineering students have permission to visit the mines if they are studying areas of engineering pertinent to those mine sites. In contrast, some mining participants noted that tourists should not be at the mines because of the costs associated with getting to the mines. In addition, these participants wondered what tourists would do when they got to the mines. Many mining participants thought that diamond tourism should take place within the city limits of Yellowknife.

5.22 Constraint - Collapsed or Failed Initiatives

Under the constraint of *collapsed or failed initiatives* are four subindicators: (a) the collapse of Tourism Training North; (b) the failure of the Rare in Nature Program; (c) the collapse of the GNWT diamond division; and, (d) the fact that the cutting and polishing program at Aurora College did not run in 2007. The first subindicator is the cancellation of Tourism Training North. It is important to note that this subindicator does not relate solely to diamond tourism but to the overall tourism industry. It is considered by the diamond tourism participants to be just one more initiative that has failed.

Tourism Training North was a nonprofit organization that provided tourism-specific training to members of the tourism industry. In 2007, the territorial government cancelled funding for this initiative; as a result, the organization and the services it offered were forced to end. Several participants discussed the benefits of Tourism

Training North when it was still in operation. These participants stated that Tourism Training North established a foundation for employee standards and training and provided an opportunity for industry-specific training. Now that it is gone, employees are forced to travel for additional training when it is required. A few participants discussed the fact that this is a constraint to small business owners who need to send employees to different communities or cities for training, which is expensive and also requires the employees to be completely absent from work. In addition, small business owners have to relocate if they want additional training for themselves, which leaves their businesses unattended or forces closure during their absence.

The next subindicator is the failure of the Rare in Nature Program that was run by the GNWT. A large number of participants indicated that they were angered by and frustrated with other participants regarding the failure of this initiative. The program marketed diamond tourism by providing a web site with information about diamonds in Yellowknife. The program also was connected with the government certification program through funding, and it was in charge of distributing funds generated from the certification program. The government certification program was operated by the GNWT and focused on providing documentation to ensure that diamonds marketed as being from the NWT are, in fact, from the NWT. Several participants noted that the government certification dollars were being poorly spent on tourism initiatives that kept failing. Lucas discussed this process in detail:

We pay \$10 for a government certificate that gives insurance that this diamond is 100% authentic that it was mined and processed here in the territories. About \$4 of that goes towards diamond marketing. Now we're not going to tell them to

spend it on tourism. Because there is no benefit to us so we always will say to promote the brands; that's what the whole focus of it is. Because it is our money, we put that money and their marketing on our behalf as our focus, and that's the reason why Rare in Nature is really falling apart now, cause we didn't support it they were doing too many things based on tourism that we didn't feel that we were getting our bang for the buck so we told them NO stop doing all that nonsense stuff that is just not working. We don't get why you are doing this.

Perhaps one of Rare in Nature's largest failed initiatives was the diamond tours that had been developed in cooperation with an outbound tour operator. Hunter stated:

Rare in Nature did, through their advertising, they did get a few people up here.

Not very many and you wonder because of that . . . it wasn't that successful. You really have to wonder how many new people will come in just because of diamonds. It gets frustrating.

These tours were created for high-end tourists and were marketed to American travellers. Several participants estimated that only four tourists purchased this package, which was a complete disappointment to many participants. Seven participants noted that the Rare in Nature Program's advertising campaign missed its target market, and they suggested that a different approach should have been taken. This topic created tension in the focus groups between the participants who supported this initiative through involvement and others who viewed it as a failed initiative and sensed a loss of funding.

Conflicts between individuals and groups were seen as constraints to moving forward in developing future diamond tourism initiatives. Carter stated: "There seems to be a lot of duplication, a lot of miscommunication, and lack of coordination about where

we're going with things.” Some participants noted that diamond tourism will not be developed as anticipated because the collapse of some initiatives has resulted in a loss of faith. Other participants indicated disinterest and hesitation when considering new initiatives because failed initiatives in the past had resulted in a lack of coordination. As a result, some participants stated that there is a lack of cooperation because of the loss of faith and lack of coordination.

The third subindicator is the collapse of the GNWT diamond division. Three participants mentioned that NWT diamond product development and marketing had been far more organized when a dedicated diamond division existed. This was a division of the territorial government within Industry, Tourism, and Investment that was responsible for marketing and promoting diamonds and diamond tourism through various initiatives such as the Rare in Nature Program and the Canadian Diamond Certification Program (GNWT Diamond Division, 2006). The diamond division was closed because of government budget cuts, and its responsibilities were allocated to other departments. Kevin stated:

I think the minister and the deputy minister were asleep when they let the diamond division fold, because there's no champion now. Industry, Tourism and Investment can't develop product on diamond tourism if there's no champion for diamond tourism in the department.

Three participants noted that other departments took on the responsibilities that were once undertaken in the diamond division and continued to pursue various marketing, branding, and programming tasks without consulting the other departments. Several participants noted that this collapse led to numerous and ineffective attempts to market and create diamond tourism in departments that did not specialize in this sector.

These participants expressed frustration about the outcome of this division collapse because various other departments were dealing with different aspects of diamonds and diamond tourism.

The final subindicator is the closure of the cutting and polishing program at Aurora College. This subindicator is considered a temporary constraint because it occurred for a limited time and only once. Aurora College in Yellowknife did not offer its diamond cutting and polishing program for the spring semester of 2007 because of limited enrollment. It is important to note that this situation occurred during the data collection phase of this study. At the time, the participants viewed this as a constraint that was hindering the development of diamond tourism in the community. Kevin said “One of the reasons it might be cancelled is there’s no demand for finishing people versus the international folks, because there aren’t enough cutting and polishing plants.”

The participants predicted problems in the future for the cutting and polishing facilities because they generally hire graduates of the program, and without graduates, they might be forced to hire from outside the community. The participants also noted that in the past, students from the college program had been asked to conduct demonstrations of diamond cutting and polishing at the NFVC diamond display. Without students, the NFVC might not be able to find someone to conduct demonstrations, and this will affect the experience of diamond tourists at the facility.

5.23 Constraint - Lack of Support

Under the constraint of *lack of support* are three subindicators: (a) the lack of recognition by governments and diamond mine corporations that tourism is an economic

force that should be considered; (b) the perception that there is a lack of financial support from government and diamond mine corporations for diamond tourism initiatives, and; (c) the lack of tax breaks for jewellery stores and tourists. Several participants noted that because of the lack of recognition that tourism is an economic force, there has been limited cooperation and involvement among levels of government for diamond tourism initiatives. Most of the participants thought that the promotion of diamond tourism sits differently on the priority lists for governments. Kevin supported this contention:

It's the platform of the NWT and around Yellowknife that tourism has And this is a separate but related aspect and I think it's really important. It's the platform of the environment that tourism operates in and around Yellowknife, on that platform. And this platform is a very rare social economic platform. And tourism is a hard slog, it's seasonal, all the constraints of tourism in general probably impact up here.

Mya expressed her frustration by commenting:

The biggest constraint is, again, that I don't think tourism is looked at as sort of a major economic force and, until we start putting some money behind it and into developing it, that's not gonna develop either, it doesn't just happen by itself. And, you know, certainly private industry can have a part in that but I really believe that it needs to be government supported, like oil and gas, or diamonds are. It has to be on the agenda anyways. And it's not.

Some participants indicated that diamond tourism is barely represented on the national tourism strategy, which displays the lack of commitment and support from the

government for diamond tourism. Several participants mentioned that this creates difficulty for government departments trying to cooperate on diamond tourism initiatives.

In regard to support from the diamond mine corporations, 7 participants stated the diamond mine corporations severely under-contributed to the diamond display at the NFVC. James noted that all of the diamond mine corporations were invited to present ideas for the diamond display at the NFVC; however, of three mine corporations, only one of them contributed any feedback. James said, “This was the perfect opportunity for the mines to show the tourism industry that they valued tourism, and they basically snubbed their noses at us with a small donation and hardly any input.” Although, many participants talked about the lack of contribution from the mines, there were still 4 participants that felt the diamond mine corporations contributed substantially to tourism initiatives in the Yellowknife and NWT areas. These 4 participants noted that the diamond mines have many responsibilities to many other organizations and sectors within communities and that tourism is not the only initiative on their table for consideration. These views also relates to the second subindicator, which is the lack of financial support from governments and diamond mine corporations for diamond tourism initiatives.

Many participants voiced their frustration with the lack of funding from the diamond mine corporations by pointing out that the donations the mines contributed to the NFVC diamond display was very small compared to other initiatives that they have funded. In contrast, the mining industry participants noted that the mining corporations contributed financially to an initiative that is lower on their priority lists than other major community initiatives that better suit community donation budgets. Additionally, the

majority of tourism participants maintained that the mines' financial contributions to the NFVC diamond display reflected a lack of interest in tourism as a whole. More than half of the participants stated that diamond tourism initiatives would benefit greatly if more attention and support from the mining industry were given. When referring to the lack of government funding, Lucas stated:

I mean, there's all kinds of things that would come into play and the only way you really understand is if you're doing that job. But it all comes down to the funding and the government's not being committed at this time to increase funding. It's going to be difficult for everyone to be able to get this [diamond tourism] running the way that it could.

Several participants referred to the lack of government financial support by pointing out government financial cuts that resulted in Tourism Training North and the diamond division collapsing. These collapses hindered diamond tourism development and removed a central voice for the initiative.

The third subindicator is the lack of tax breaks for jewellery stores and tourists. This subindicator relates to the lack of financial support because of two factors, namely, that governments should be providing a tax break to jewellery stores so they can lower prices to appeal to tourists more and that governments should be providing tax breaks to tourists for buying diamonds in the NWT. Both of these tax breaks would allow Yellowknife retailers to advertise lower diamond prices than in the rest of the country and give tourists a reason to come to Yellowknife to buy diamonds. Mason said:

I think something has to be done for [tourists'] immediate benefit, and I think the government needs to step in and maybe give a tax break, or something along the

lines of that type. Have a reason for people to come here, other than “[Diamonds are] just made here.”

Kevin expressed concern with this possibility because “the government can only do so much.”

5.24 Opportunity - Partnerships

Under the opportunity of *partnerships* are three subindicators: (a) create partnerships with government and industry; (b) package accommodations, airlines, and attractions for resale; and, (c) package diamond tours. Several participants discussed the need for partnerships, including investment partnerships, to encourage cooperation and mutual benefit to the mining and tourism industries. These participants discussed partnerships between government and the tourism industry and partnerships between the tourism and mining industries. Lucas provided an example of a partnership with mutual benefit: A cutting and polishing facility could partner with the tourism industry to provide needed upgrades to make the facility tourist friendly. The tourism industry would have to secure funding to make the necessary upgrades, such as adding a glassed-in walkway to the factory, and the cutting and polishing facility would not have the financial burden of upgrading its facility for the tourism industry. Following completion of the upgrades, tours could be offered, and the profits could be split between the tourism partner and the cutting and polishing facility. In addition, the tourism industry would provide a tour guide who is trained by the factory, so that no employee of the factory would be asked to leave his or her duties to give tours. This example offers a solution to many of the constraints associated with diamond tourism and illustrates how cooperation can be played out during the development of diamond tourism.

The second subindicator is the creation of travel packages for accommodations, airlines, and attractions. In order to develop tour packages, partnerships within the tourism industry need to be created first that would include hotels, tour operators, attractions, airlines, and restaurants. This would provide tourists with the opportunity for a one-stop shopping experience. Another idea is to package diamond tours. A few participants described packaged diamond tours as including diamond displays and exhibits, visitor centres, the Aurora College, jewellery stores, restaurants, and other attractions around Yellowknife. Dave stated:

Even packaging things, putting together where the retailers work with the hotels and the tour companies and all the rest of it. That when people arrive here, it's not just kinda one-off things. Oh, I can go here, I can go there, maybe if I go to the museum, I'll see something maybe at the visitors centre. Some of them probably aren't even aware until they're told that they can't do a tour at the polishing plant or whatever.

Several participants suggested that packaged tours would increase stakeholder cooperation and partnerships, as well as allow visitors to experience everything that Yellowknife has to offer. Andrew stated, "We have what we have. So package it properly, market it properly, and you'll be okay." Other ideas were suggested, such as packaging diamond tours with hunting and fishing expeditions. Hailey commented:

And one of the things I notice is that a lot of the hunters and fishers, they come like in the evening, and then leave the next morning. So the stores are closed. So if we can organize, like a town tour for them, and then have a couple of jewellers

buy in that they come in for an hour and we can bring hunters and fishers there and they can have a little reception for them and . . . you know?

Kevin added to this sentiment by saying “It’d be their guilt purchase,” referring to the fact that before hunters and fishers return home, they often will purchase gifts for loved ones.

5.25 Opportunity – Tourism Strategy

The second opportunity is *tourism strategy*, and within this indicator are two subindicators: (a) diamond tourism should be a bigger part of the tourism strategy to increase cooperation; and, (b) money from the government certification program has been redirected to diamond brand promotion. These subindicators do not necessarily fit well together, but they both relate to the broader theme of opportunities.

Many participants referred to the lack of government support for diamond tourism. As a solution to this constraint, several participants indicated that if diamond tourism were a part of the tourism strategy, this might entice more levels of government to participate in diamond tourism initiatives. The participants noted that if this did not happen, then government departments that want to be involved in diamond tourism would at least have a platform to stand on when lobbying for larger budgets.

The second subindicator is the fact that money from the government certification program has been redirected to diamond brand promotion. Originally, the government certification program provided partial funding for the diamond division. In turn, the diamond division funded the Rare in Nature Program, which essentially meant government certification money funded marketing efforts. Many participants were frustrated with the Rare in Nature Program.

As a result, certification dollars were reallocated to market the Polar Ice and Polar Bear diamond brands, and this change satisfied the mining participants. These participants stressed their satisfaction with this turn of events and noted that it was an opportunity to diamond tourism because certification money was now being spent in an effective manner.

5.3 Development Constraints and Opportunities

Development was the primary concept for this study. Development constraints and development opportunities are illustrated in Table 6. The constraints include air access, infrastructure, no tourism theme, and marketing. The opportunities include the development of diamond tourism product, new infrastructure and upgrades to old infrastructure, and marketing.

Table 6

Development Indicators and Subindicators

Development		
	<u>Indicator</u>	<u>Subindicator</u>
Constraints	Air access	Lack of direct flights to Yellowknife from southern cities Yellowknife airport is unable to accommodate large aircrafts
	Tourism attractions and supportive services	Lack of concrete diamond tourism activities
		Lack of structured diamond tours
		Lack of tourism infrastructure
		Cleanliness of the city
	High cost of developing in the North	
	No wholesale jewellery made in Yellowknife	

Table 6 (continued).

		Development
	Lack of visible tourism theme	Yellowknife is “under” themed Very few visual displays of mining equipment Diamond Capital of North America brand is lacking
	Marketing	Lack of marketing from DMO on diamond tourism
Opportunities	Development of diamond tourism product	A story of the stone and video of the mining process A female- oriented product Diamonds and artwork
	New attractions and upgrades to old attractions	Potential for diamond interpretation centre Upgrade cutting and polishing facility Diamond display at the NFVC
	Marketing	A product that can reach a wide target market Global appeal A natural ability to link diamonds with hunting, fishing, and aurora sectors A prestigious product to add to the tourism mix Development of new marketing campaigns

5.31 Constraint - Air Access

Under the constraint of *air access* are two subindicators: (a) the lack of direct flights to Yellowknife from southern cities; and, (b) the inability of the Yellowknife Airport to accommodate large aircrafts. The first subindicator is the lack of direct flights to Yellowknife from southern cities. The participants stressed that there is a lack of direct flights linking Yellowknife to large urban centres such as Vancouver and Toronto. In

addition to this, 4 participants noted that there is a lack of direct flights connecting Yellowknife to cities in the United States and Japan. Andrew said:

We know, that one of the reasons that we are losing market share here in the Territories is a result of the increase in charter flights into Alaska. So, 3 years ago the Alaskan government, Japan airlines, and the largest tour operator, JTB, put together a package. They had great foresight. They realized that there was a huge opportunity there. It was based on the fact that Japan airlines needed to maintain so many slot times into the United States. And so this was an opportunity that they, along with the Alaskan government, saw for them to do direct flights from Japan into Fairbanks. They have a far larger infrastructure. They have a greater product offering than what we have. Also the fact that the flight is only 7 and a half or 8 hours. So instead of transferring airplanes three times, then they're going in there. So they started out the first year with three 747s. This summer they were doing 13 flights.

Emma stated that the cost of flights is expensive from southern origin cities to Yellowknife, but in comparison to other northern destinations such as Whitehorse, the flights are reasonably priced.

The second subindicator is the fact that the Yellowknife airport is unable to accommodate larger aircrafts. Two participants identified the need for airport improvements to accommodate larger, long-haul aircraft, as well as an upgrade to airport equipment to service the aircraft. Andrew expanded on this point:

There's no containerized equipment here. There had been talk about bringing a 767 charter in here last winter . . . the issue was there's no way that you can take

the equipment on and off the airplane. Cause the bags are in containers, and what you need is what's called a Landus Loader. So you need a special piece of equipment to service the planes. Last year, it was a huge deal, a 777 or whatever landed here: Oh my god! Oh my god! I mean you could bring a big airplane in here? And you could bring it in full the problem is you can't take off out of here cause you can't take off with a full load and properly fuel your airplane.

Mya stated: "Now I think that if we had the landing strip lengthened, there are so many more things that it would entice people to come here compared to Alaska."

Three participants indicated that if the airport could accommodate larger aircraft, more direct flights could come to Yellowknife. Andrew stated that this small change would help the aurora industry, which would then help the diamond tourism industry. He also noted that by having direct flights, Yellowknife could become more competitive with other northern destinations that have longer runways and more direct flights from Vancouver and Japan.

5.32 Constraint - Tourism Attractions and Supportive Services

Under the constraint of *tourism attractions and supportive services* are three subindicators: (a) the lack of concrete diamond tourism activities and infrastructure; (b) the high cost of developing in the North; and, (c) the fact that no wholesale jewellery is made in Yellowknife.

All of the participants viewed the paucity of diamond tourism activities as a hindrance to the future success of diamond tourism. Four participants noted that diamond-related activities such as museum exhibits, videos, diamond cutting and polishing displays, and tours were necessary for diamond tourism to become a reality. Six

participants pointed out that small scale tourism activities would not foster healthy growth of this tourism sector because tourists will not come if there is nothing to grab their attention. This also related to the lack of structured tours available to diamond tourists. It was pointed out that there are no structured tours to showcase the community and all of the activities that tourists could participate in during their visit to Yellowknife. These comments also related to the lack of diamond tourism attractions.

Aside from the lack of diamond tourism activities, the participants pointed out the lack of tourism attractions and infrastructure, that is, accommodations and transportation. Jackson discussed the need to advance the level of infrastructure needed to accommodate RV traffic:

The diamond part is just the looking after part, it's not the infrastructure part.

You better have a place for [RVers] to plug in, and have sewer and water and all that onto it and have a community saying "hey! we're glad you're here, we'll treat you nicely."

Katelyn stated that keeping the city's streets and buildings clean is necessary to show tourists that the community of Yellowknife cares about tourism. She mentioned that routine inspections are needed for the Yellowknife restaurant industry and accommodation sector to ensure consistent quality:

Number one. You go into any of our local restaurants, they're filthy. You look at the décor, although it was nice at one point, it's run down. A lot of people are taking from the community, but they're not putting back. If you want people to frequent your place of business, then you better be on top of it. If something's getting run down or it's not being kept up, then somebody should be saying there

is a standard within this community that we have to meet. If you want us to standardize you, then you better pull up your socks. We expect you to be putting some money back in.

Andrew supported the contention that there is a need for consistency in services and customer service within the tourism industry.

The second subindicator is the high cost of developing services in the north. Several participants discussed the high cost of building materials and labour as a constraint in developing services. They stated that building materials are usually higher in price because of the shipping costs related to trucking or flying materials from other major centres. In addition, the high cost of development is affected by the need to offer competitive wages. Six participants mentioned that a booming economy has raised employee wages to remain competitive with desirable jobs in mining. This indicator is linked with labour issues under the management concept because of labour shortages that create the need for a pay increase and their strategies to recruit and retain qualified staff.

Finally, the last subindicator is the issue that no wholesale jewellery is made in Yellowknife. Several participants pointed out that currently, no local jewellery manufacturers in Yellowknife could set diamonds in jewellery pieces as a large-scale enterprise. Two participants noted that this limited the availability of merchandise in jewellery retail stores that are a vital component of the diamond tourism experience. Two retail participants noted that supply limitations affect their abilities to provide and customize jewellery orders to out-of-town visitors who are on a departure timeline.

5.33 Constraint - Lack of Visible Tourism Theme

Within the constraint of *lack of visible tourism theme* are three subindicators:

(a) the lack of a tourism theme and visual displays around the city; (b) the lack of structured diamond tours; and, (c) poor street appeal for tourists. The participants noted that Yellowknife's mining history is rich enough to warrant displays, especially because Yellowknife was established to support the Giant and Con Mines. They suggested that by putting up interpretive displays and information boards around the city, Yellowknife would appear more tourist friendly and informative. These displays also would complement self-guided walking tours. Some participants suggested that by displaying mining equipment around the city and in parks, a stronger image of Yellowknife's mining history could be achieved. Dominic suggested setting up "a giant kimberlite model in a local park and placing a giant truck or piece of mining equipment in a local park." Some participants stressed the need for Yellowknife to reconnect with major events from its past. For example, several participants expressed the need to display mining equipment, preferably related to gold and diamond mining: signs; billboards, and other items that would show the rich history of gold mining and the potential for a prosperous diamond mining future. Jackson commented:

Government has diluted out the mining industry, and there is no character being shown off in this town other than a real mix of old and new. Our intent was to say well, why don't we do things like theme this town a lot more, we have a mining heritage, and why don't we theme it. There are a lot of things you could do here. You could have a mining cart in front of one of the businesses down in old town. The concept being that you recognized mining equipment and think mining. The mineral display at the airport and display at the Chamber of Mines...these are all

things that we need. Even if we could bring the head frame from Con mine into town. Now that would be something that would catch everyone's attention.

Likewise, 3 participants stated that the current Diamond Capital of North America theme is limited to flag pole banners, bus banners, and bulletin boards. Other participants then suggested that more displays are needed throughout the city and should include murals and storefront displays.

5.34 Constraint - Marketing

The fourth constraint is the *lack of marketing from the Destination Marketing Organization (DMO) on diamond tourism*. Many participants noted that there has been limited diamond tourism advertising from the DMO. There has been a greater focus on fishing, hunting, and aurora viewing, but the real focus needs to be on the entire tourism supply package. Some of the participants agreed that the DMO is underfunded compared to other Canadian marketing organizations; nonetheless, they believed that with increased attention, a better effort could be achieved. Emma commented on the DMO:

There is a complete lack of support from our DMO. They tend to market fishing, hunting, and aurora, and they tend to sit content with that and they haven't wanted to expand. Actually the aurora market . . . they fought the aurora market. They didn't want to market aurora. And now they do absolutely no diamond marketing what so ever.

Some participants noted that the DMO seems content with these efforts. However, 5 participants indicated that there is a lack of vision and lack of support for diamond tourism overall. Several participants suggested that the DMO's budget, which is small compared to that of other centres of similar size, could be a contributing factor to poor

marketing efforts. Emma said, “And it’s limited and I’ll even defend the DMO. They’re on a 2.2 million dollar budget . . . Alberta is on 89 million. At the end of the day, it’s the government falling short on this.” The lack of diamond tourism marketing by the DMO also can be associated with a lack of support under cooperation constraints.

5.35 Opportunity - Development of Diamond Tourism Product

The first opportunity subindicator is the creation of a story of the stone and a diamond mining video presentation. Seven participants discussed the possibility of creating a story of the stone as a way to improve the mystique and appeal of purchasing diamonds. The participants suggested two levels of a story. The first level includes information on when the stone was mined, which mine it came from, who cut and polished the stone, and who set the stone. The second level includes pictures of who mined, cut, and polished the stone and detailed information about the person and mine site. Several participants noted that one of these levels of information should be included either with the diamond certification process or as an additional selling feature for Yellowknife retailers.

Aside from the story of the stone, many participants discussed the development of a diamond mining video presentation. Lucas supported this initiative by saying, “Seeing is believing.” Many of the participants thought that the video should be displayed at the NFVC diamond display. The video would show a visit to a mine site and be in a format similar to an IMAX movie or a 360-degree cinema. These participants believed that it would be appealing to tourists if it could show the mining process from start to finish, that is, how the diamond was found, how it was taken from the ground, and what happens to it afterward.

The next idea in this subsection is that diamond tourism is an opportunity to promote a product perceived to be more aligned with female tourists' interests. Many participants said that hunting and fishing have been the most dominant tourism sectors in the past and that they typically have attracted males. Diamonds, on the other hand, might be more appealing to females in two ways. For example, male hunters and fishers may buy diamonds as "guilt" presents for their female companions, and male or female tourists who travel to attend business meetings, conferences, and conventions may engage in diamond tourism activities before or after those activities.

The last idea in this section related to opportunities to develop the diamond tourism products is to incorporate diamonds with artwork. Some participants described a need to incorporate diamonds with artwork to provide an additional way for tourists to purchase diamonds. These participants believed that this is an untapped market that would allow members of the community to benefit greatly. There are several reasons for the current limited usage of diamonds in artwork. Using diamonds in artwork is not encouraged by the community or the government, local artists do not have the training to work with diamonds or utilize it in their artwork, and there are limited courses and seminars that local artists can attend to further their skills and education in working with diamonds. Some participants noted that if these obstacles could be overcome, great retail opportunities could be created.

5.36 Opportunity - New Attractions and Upgrades to Old Attractions

The next opportunity subindicator is *new attractions and upgrades to old attractions*. Under this opportunity are three specific attraction developments: (a) a diamond interpretation centre; (b) upgrading of a cutting and polishing facility; and, (c) a

diamond display at the NFVC. Some participants stated that it would be beneficial to have a dedicated diamond interpretive centre, that is, a facility that would house education, cutting and polishing activities, and a variety of jewellery stores. This centre would function as the primary destination for tourists seeking to buy diamonds. Although this idea was suggested by 4 participants, its implementation would require considerable thought, coordination, planning, and funding by many more individuals.

Four participants were opposed to this development because of the cost and resources associated with it. These participants indicated that the diamond tourism experience could be captured in existing attractions and noted that it would be more beneficial to have tourists dispersed around Yellowknife so that they could take advantage of everything that Yellowknife has to offer. These ideas can also be linked with the cooperation concept because of the level of coordination and cooperation needed for this initiative to be successful.

In addition to a diamond interpretation centre, 6 participants suggested it would be beneficial and strategic to upgrade a cutting and polishing facility as the next logical product development initiative. Five participants felt that currently, cutting and polishing facilities are unable to facilitate high numbers of tourists because of security and safety issues, along with concerns about interruption to production. To expand on this idea, Adam stated:

Moving down to the cutting and polishing side of things, as was stated there are issues with security; the primary issue there is interruption of production. There is an unwillingness to bring people in because the workers are focused on something else instead of straight at their bench.

Mya suggested that the cost to upgrade a cutting and polishing facility would be high and that partnerships and industry cooperation would be needed to complete this effort. This subindicator can be linked with management constraints and cooperation opportunities. Three participants suggested that if one of the cutting and polishing facilities were upgraded with a glassed-in walkway or viewing area, security and safety concerns could be eliminated. Seven participants agreed that significant funds would be needed for this level of attraction development, and they agreed that the high cost of development in the north will hinder future attraction development. However, the participants also agreed that retail products are crucial to the overall success of diamond tourism and the overall tourism industry in Yellowknife.

The final opportunity within new attractions and upgrades to old attractions is the upgrade of the NFVC. All of the participants were aware of the construction of a diamond exhibit at the NFVC that was completed and opened to the public in June 2008. This project incorporates displays of diamonds, a cutting and polishing wheel for demonstrations, information on the mining process, and a giant kimberlite model (Aldrichpears Associates, 2007). Emma explained that the diamond display also shows the “ground to the finger” aspects of diamond mining; she mentioned that the display is just a stepping-stone that will eventually lead to a diamond tourism centre. James declared that the NFVC diamond display was completed to get Yellowknife more well-known as a diamond tourism destination. Many participants agreed that this initiative may give an edge to diamond tourism that will help to establish this new sector.

5.37 Opportunity - Marketing

The final opportunity indicator is *marketing*. Some participants indicated that diamond tourism is an opportunity to reach a wider target market than what traditional tourism products in Yellowknife appeal to. Three participants noted that diamonds have a global appeal and are considered a prestigious commodity. These participants also stated that diamonds offer a natural marketing link with other tourism concepts such as the northern lights, wildlife, outdoor adventures, ice roads, and culture. Some participants hoped that diamonds will strengthen the current marketing plans and enable Yellowknife to attract more international travellers. In reference to attracting more people to Yellowknife, the participants noted that with effective marketing, the community would become more educated and the tourism industry would rely on word of mouth as an effective marketing tool. The participants also stated that diamond tourism is an opportunity to develop new marketing campaigns focused on a complete tourism package that is attractive to various target markets.

Aside from target marketing, the participants also stated that diamond tourism is a marketing opportunity for the mining industry to showcase its community involvement, economic contributions to the communities of the NWT, environmental efforts, and advanced engineering to a local and global market. Adam commented:

I think this is something that the mines are very open to doing – community development, tourism, whatever. It's an opportunity for them to gain real exposure. You know, just being seen as a company that supports the local industry. And even all 3 mines together, you know, again, mining companies have done this type of stuff in the past, they have deep pockets. They would rather put

money into something that gives them exposure than something that may compromise their business like supplying, that type of thing. So, a lot of the mines, when they approach this type of thing, they like to approach it in terms of partnerships with local businesses.

This would provide positive exposure for the mining industry and facilitate an additional level of transparency to reach the community and international audiences.

5.4 Management Constraints and Opportunities

Management is the strongest concept that links with the primary concept, *development*. Management constraints and management opportunities are illustrated in Table 7. Management constraints include research, education, security issues, and labour shortages. Management opportunities include education and labour.

Table 7

Management Indicators and Subindicators

Management		
	<u>Indicator</u>	<u>Subindicator</u>
Constraints	Research	Lack of research from the government
	Labour shortage	Lack of people to employ A booming economy is affecting the tourism labour pool
	Education	Lack of skilled labour No industry specific training
	Security issues	Safety and security for tourists visiting diamond mines Safety and security for tourists visiting cutting and polishing facilities

Table 7 (continued).

Management		
Opportunities	Labour	Potential for migration because of a booming economy Potential for spouses and family members to gain employment
	Education	Potential for artists certification programs Potential for new college programs Gemology course Potential for industry specific training

5.41 Constraint - Research

The first management constraint is the *lack of ongoing and strategic research by the territorial government* that affects the ability of the participants to create and manage diamond tourism initiatives. Several participants indicated that insufficient research has been done in the areas of exit surveys and sectoral research. These participants stated that there was a large information and time gap between exit surveys that were completed in 2002 and 2007. They found this has hindered their ability to judge what was occurring in the tourism industry. This linked with participants' ability to lobby for diamond tourism initiatives. Several participants found that the lack of research has been affecting their ability to establish partnerships because the research to support their ideas is not available. Many participants noted that research is the key to the effective management of diamond tourism initiatives. This links with cooperation because of the connection between research and partnerships.

5.42 Constraint – Labour Shortage

The second management constraint is *labour* and there are two subindicators to review. Both the lack of individuals to employ and a booming economy are affecting the tourism labour pool. Many participants complained about the lack of potential employees for small business, service industry, accommodation sector, and tour operators. Mya said, “There is just no one to hire, the people just aren’t here, so what am I supposed to do?” These participants also identified a lack of trained individuals who are available for employment in the subsector. Most of the participants pointed out that this extends beyond diamond tourism to the tourism industry as a whole, which is experiencing a human capital deficit related to the more attractive high-paying jobs in the resource sector.

Many of the participants expressed the belief that the tourism industry generally is finding it difficult to attract skilled tourism workers to the north primarily because tourism businesses are unable to pay competitive wages. Several participants blamed the mining industry and its ability to offer higher paying jobs and added incentives, which shrinks the labour pool available to the tourism industry. In addition to these areas, Katelyn noted that Yellowknife does not have an immigration officer located in town. She said: “We need resident immigration officers. Not an officer, but two. You should look into it, Jamie, because it’s a very important thing here. Tour companies have trouble with their staff. Why? There’s no immigration officer here.”

Several participants discussed the booming economy as a constraint to diamond tourism because employers are unable to find people to work for them. These participants

stated that, in some cases, people in the community held two or three jobs simply because they could and this posed another problem in terms of scheduling conflicts.

5.43 Constraint - Education

The third management constraint is *education*, which is closely linked with the labour subindicator. Several participants stated there is a lack of educated or trained staff to choose from; in some cases, employers have been forced to hire unqualified employees. To add to this constraint, some of the participants identified a lack of educational resources to training unqualified employees. This was attributed to the earlier constraint of the collapse of Tourism Training North. Emma and Mya both talked about how the collapse of this program has hindered their staffing situation and their ability to train employees. Mya said:

I'm challenged enough just to find staff . . . unlike other operations where you might need specifically trained staff like diamond polishers and that sort of thing so. That's like lots of things in Yellowknife. That's a big issue and that's the issue that can stop you in your tracks basically.

5.44 Constraint - Security Issues

Security issues include security at the diamond mines and security at the cutting and polishing facilities. Security issues focus on concerns about tourists visiting these locations. When reviewing security issues at the diamond mines, the most prominent issue among the participants was the lack of viewing decks and areas. Many participants mentioned there are no viewing decks, glass walls or floors, and essentially no areas to view the mining processes. These participants noted that because the mines were not established to accommodate tourists, areas of the mines would be off limits because of

safety and security concerns. Another security issue requires that the diamonds be safe from theft at all times. Several participants acknowledged that the mines must secure their product, but there are no barriers in place to keep the diamonds separate from the tourists.

Security issues at cutting and polishing facilities are similar to those at the mines. The participants indicated that cutting and polishing facilities are not set up for tours. There are no viewing areas and no barrier between the tourists and the employees who are working with the diamonds. In addition, a few participants noted that it would be impossible to do background checks on visitors to the facilities, particularly if they arrived in large groups. These participants also indicated that surveillance would be an issue along with safety because the tourists would have to be right next to the workers who are using equipment to cut and polish diamonds. Security issues also are associated with development constraints because of the lack of permission from the mines to allow tourists on site.

5.45 Opportunity – Labour

The first management opportunity is *labour*. Many participants felt that there was potential for migration because of a booming economy that was drawing future residents to the area. Three participants stated that people who move to Yellowknife for work could potentially bring a husband, wife, or family members who could also work. Due to Yellowknife's current tight labour market, these new Yellowknife residents would help fill that void.

5.46 Opportunity - Education

The second management opportunity is *education*. The participants suggested that the college program could develop certification programs such as diamond setting courses and gemology programs for artists. Mya suggested:

The Aurora College program should go so much further than what it's doing, and there's so much potential for that end of things that isn't being tapped into right now. And so much talent in the north, too, that's not being used to its best advantage. The average artist in the north does not have the resources to experiment with diamonds on their work . . . not like that, there's no way, unless we gave them diamonds to work with. I think that by the college providing gemology certificates and programs for people, it would make available, skills for these people so they could work with diamonds and art.

Some participants indicated that the college has missed the opportunity to be the only program in Canada to train people as cutters and polishers for the diamond industry. In contrast, Hailey stated, "So, Aurora College didn't get on the bandwagon and say we're gonna be the only place in Canada that can train these people so companies from Ontario and Saskatchewan would come up and train their people." The participants noted that such a program would have brought the best employees to Yellowknife to live and to work over the long term.

Another area of education is industry-specific training. Some participants suggested that, because Tourism Training North has closed, it would be beneficial for another organization to offer specific training in the tourism industry to help to alleviate the unskilled labour shortage that the industry is experiencing.

5.5 Diversification

Diversification is the last concept to be discussed. Diversification constraints and opportunities are illustrated in Table 8. Diversification constraints include a limited community vision and the stability of the tourism supply package. Diversification opportunities include a tourism supply package and a stable economy.

Table 8

Diversification Indicators and Subindicators

Diversification		
	<u>Indicator</u>	<u>Subindicator</u>
Constraints	Limited community vision	Community does not understand the benefits of tourism and that diversification is positive
		Community is focused on mining
	Stability of tourism supply package	Decline of aurora tourism has created a need for diversification
		Concern over the stability of all sectors Lack of diversification in tourism No new tourism sectors since aurora started
Opportunities	Tourism supply package growth	Diamond tourism will complete the tourism mix Can be a part of mining/heritage tourism
		Corporate tourism can be linked with diamond tourism
	Stable economy	Tourism is an economic force Tourism is a renewable resource

5.51 Constraint - Limited Community Vision

The first diversification constraint is *the issue that the community does not understand the benefits of tourism* and it does not know that diversification through tourism is acceptable option. Several participants noted that the government and industry

are focused on mining and do not see the short- and long-term benefits of tourism. In addition, these participants stated that owners in the mining and tourism industry have limited insight into the benefits of being involved in diamond tourism and tourism in general.

Several participants described Yellowknife's community vision in several ways. They asserted that the community vision is not big enough and that Yellowknife has no long-term vision. Regarding tourism, the participants stated that tourism is intangible, so making decisions and basing long-term economic goals on it are difficult. Emma stated that "tourism is just this big intangible thing and nobody knows what it's doing and what it stands for."

5.52 Constraint - Stability of Tourism Supply Package

The second diversification constraint is *the stability of the tourism supply package*. One area of decline is the aurora viewing tourism sector, a topic widely discussed by participants. The decline in aurora numbers post-2001 raised questions about the health of the subsector. Carter stated that "the Japanese market for the Aurora, is declining, due to different reasons of course, such as increased competition in other areas like Alaska and the Yukon." This decline was seen as a constraint to diamond tourism because the aurora subsector had been targeted as a link to diamond tourism marketing strategies.

In addition, the aurora viewing decline caused concern among study participants because other subsectors have encountered problems that question the state of the overall tourism supply package. Kevin asserted that "aurora viewing with the Japanese has its problems as well. The fickleness of the Japanese are going to . . . they are beyond our

control.” Several participants commented on the overall decline of other tourism sectors such as hunting and fishing. Kevin added:

We are still to a certain extent trying to help the sport fisherman and the traditional products. And there are lots of problems with those products and during that time these people sitting here have seen it. Two opportunities, two big ones that go and build a product around with the understanding that the development is of non-consumptive aspects.

This concern led to discussion of the lack of diversification in tourism. Some participants expressed the need for a new tourism sector because there have been no new tourism sectors since the aurora sector.

5.53 Opportunity - Tourism Supply Package Growth

The participants viewed diamond tourism as an opportunity for the tourism supply package because it will help to complete the tourism mix. Several participants stated that diamond tourism could ultimately become a part of mining-heritage tourism because of its roots in mining. They viewed the addition of diamond displays and infrastructure as a natural fit with mining-heritage tourism that will allow both groups to capitalize on each other’s successes. It also was suggested that diamond tourism and mining-heritage tourism could combine some activities to make optimal use of all facilities and sites, such as the Giant Mine site. Dominic stated that “one of the ways is to maybe link diamond tourism and heritage tourism, then you could use some of the same buildings like the ones at the Giant Mine site.”

Several participants also noted that corporate tourism could be associated with diamond tourism. Emma discussed the new trend of corporate tourism by pointing out

that “corporate travel is increasingly becoming more popular as it provides a way for families to travel at a cheaper cost or on someone else’s dollar.” The participants also asserted that corporate tourism is a year-round activity and often a forgotten tourism segment that can bring in tourists during low travel seasons.

5.54 Opportunity - Stable Economy

Tourism is an economic force because it is a renewable resource that could potentially outlast mining. Several participants stated that tourism diversification would help communities to become more economically stable following diamond mine closures.

Four participants stated that the municipal government has become very involved in diamond tourism because it sees it as an opportunity to diversify the economy by strengthening the current tourism package. This interest acknowledges the boom and bust history of Yellowknife related to fluctuating natural resource prices. Diversifying the economy to include a broader tourism industry is an option to secure a stronger future for the residents of Yellowknife. Four participants noted that the territorial government also has a vested interest in tourism because of the opportunity for economic diversification. These participants noted that the federal government should be more involved with diamond tourism and tourism in general because of its role in economic diversification. Some participants considered diamond tourism a way to strengthen the current tourism package because it could appeal to female tourists, a group not overly interested in the traditional hunting and fishing subsectors.

5.6 Summary

Within this chapter the four concepts were described, and the primary concept was identified as being *development*. Under the concept of *cooperation*, constraints

included access to mines, collapsed or failed initiatives, and lack of support; opportunities referred to partnerships and tourism strategies. Under the concept of *development*, constraints included air access, tourism attractions and supportive services, lack of a visual tourism theme, and marketing; opportunities included the development of a diamond tourism product, new infrastructure and upgrades to old infrastructure, and marketing. Under the concept of *management*, constraints included research, labour shortages, education, and security issues; opportunities included labour and education. Under the concept of *diversification*, constraints included limited community vision and stability of the tourism supply package; opportunities presented tourism supply package growth and a stable economy.

Although indicators have been described as falling within one of the four concepts, it is clear from the description in this chapter that there are relationships among indicators or other ways they can be linked. Some of the stronger links between cooperation and development were in the areas of *partnerships* and *infrastructure development*, specifically in the area of cutting and polishing upgrades. Within the cooperation concept, the *access to mines* indicator was linked with development constraints and management *security issues*. Linkages were made between development and management concepts with the *high cost of developing infrastructure* and *labour issues*. An example of this was the need to offer higher wages because of the limited number of people available to be employed. Under the development concept, the *marketing* indicator was linked with cooperation and the constraint indicator of *lack of support*. Primarily because the lack of support from the DMO, diamond tourism marketing can be associated with a lack of support.

Adding a product that is more appealing to females was seen as a development opportunity; however, it also may contribute to other diversification opportunities. The creation of a new diamond interpretive centre can be linked to cooperation opportunities in *partnership*. Under this same area of development opportunities, upgrading a polishing and cutting center would link in with some of the management constraints and cooperation opportunities in *partnership*.

Within management constraints, *research* was linked with cooperation opportunities under *partnerships*. Within management constraints and opportunities, *labour* and *education* are linked because both of these indicators react highly to each other in both areas. Linkages were also identified between *diversification* and *cooperation* with the indicators *stability of the tourism supply package* in diversification and *failed initiatives* in cooperation. The indicator of diversification opportunities to stabilize the economy has links with development opportunities through developing the attractions. The following chapter discusses these linkages and several other linkages and relates them to ideas from relevant literature to understand the processes that are occurring in the development of diamond tourism in Yellowknife. Chapter 6 will further explain the story of diamond tourism by discussing proposals that have emerged from these linkages that have lead to a potential theory development.

CHAPTER 6: DISCUSSION

6.1 Introduction

In keeping with the grounded theory approach, the discussion in this chapter is based on the expectation that the data will provide the theory that help explain the story. To begin, this chapter comments on the relationships that exist between the four concepts in the context of diamond tourism in Yellowknife. The four concepts identified in the interview data are *development*, *cooperation*, *management*, and *diversification*. Furthermore, the relationships among these concepts are discussed as proposals in relation to the relevant literature to assist in explaining the findings and my understanding of the story of diamond tourism. The discussion addresses the objectives of the study, which are: (a) to examine the existing conditions of development leading to diamond tourism; (b) to examine the opportunities and constraints of diamond tourism in Yellowknife as viewed by tourism and mining stakeholders; and, (c) to explore the relevance of the social economy framework to understand the development of diamond tourism.

6.2 Relationships Among Concepts

Analysis indicated that *development* was the primary concept for this study because of its relationship with the other concepts and its ability to pull those concepts toward it. Figure 8 shows how the concepts relate to each other, with the primary concept in the darkest shading. Figure 8 demonstrates that *development* is in the centre of the diagram and connects all of the other concepts. Even though *development* was identified as the primary concept, it is not the initial concept in the description of the story. *Cooperation* comes before *development* because in order for development to be

successful, partnerships and a cooperative environment must be established. Once partnerships are in place, *development* can occur in concert with *management*. In this scenario, *management* occurs simultaneously with *development* because of *management's* role in planning, organizing, funding, and monitoring diamond tourism initiatives. This ongoing management process, combined with development, will help to foster the expected goal of these activities: *economic diversification*. In the context of developing diamond tourism in Yellowknife, the potential for *development* is the central theme that generates the desire to *cooperate* and requires *management* for its success, which then leads to *diversification*. In addition to these foundational links at the concept level, there are other linkages that help illustrate the complexity of this story.

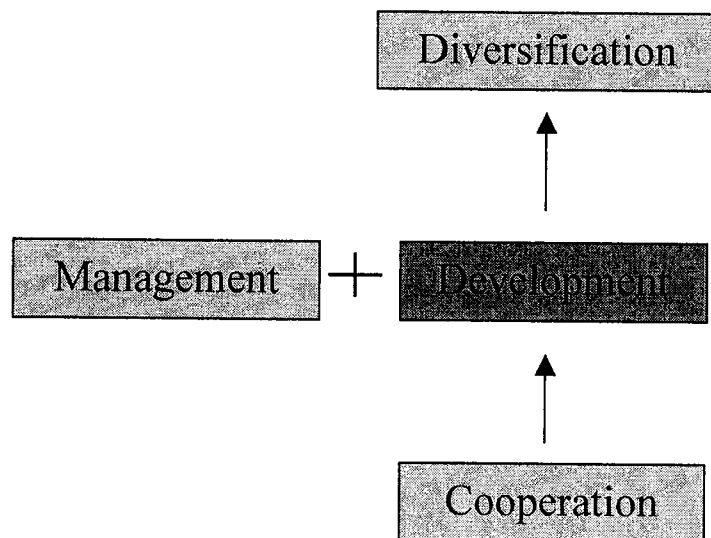


Figure 8. Relationship of the four concepts.

6.21 Development and Cooperation

Several relationships exist between development and cooperation, and they are discussed in this section. The term *linkage* refers to the relationship between two indicators or concepts and acknowledges that these concepts affect each other. A linkage exists between the *development* indicator *new attractions and upgrades to old attractions* and the cooperation indicator *partnership*. This link exists because the development of new attractions presents the opportunity for partnerships in funding and resources among the stakeholders. The participants stated that upgrades to a cutting and polishing facility would be the next logical step in product development for diamond tourism. Therefore, partnerships could exist among the mining, tourism, and government stakeholders. In addition, the possibility of a new diamond interpretive centre provides the opportunity for partnerships among education, retail, mining, tourism, and government stakeholders.

Another linkage is present in the development indicator *marketing* and in the cooperation indicator *lack of support*. This link was present because of the lack of support from the DMO to market diamond tourism. Several participants suggested that the DMO did not support this new sub sector, which is directly associated with the marketing of diamond tourism.

The final linkage in this section exists between *development* and *cooperation* with the indicators *access to mines* and general *development* constraints. Participants noted that the lack of access to the mines is preventing the development of diamond tourism from offering similar attractions as other diamond tourism destinations, such as those in South Africa. These destinations offer trips to actual mine sites, whereas this cannot be done at present in Yellowknife because of distance, lack of transportation, and resistance

from the mining corporations. Many participants found that these issues have hindered the potential to draw tourists to Yellowknife who want to see functioning diamond mines. This is one constraint that could be a major barrier to diamond tourism being developed at all due to the simple fact that tourists want to see the diamond mines up close and not from within the city of Yellowknife. Due to this gap between the expectations of the tourists and the reality of the destination, it might be suggested that tourism efforts and resources be put towards other sectors such as aurora tourism instead of diamond tourism, if a resolution is not found for the issue. *Cooperation* is linked to *development* through its ability to foster successful partnership and effective marketing in order to reach a similar level of other international diamond tourism destinations.

6.22 Development and Management

Under the concepts of *development* and *management* are a few shared linkages. The first link exists between the *development* subindicator *high cost of developing attractions* and the *management* indicator *labour issues*. According to the participants, this linkage exists because the high cost of developing attractions in the north is related, in part, to the high cost of labour in the north, which is due to the limited number of people available for work and the need to attract skilled labour. The relationship between *development* and *management* signals that developing attractions is associated with high labour costs, which can affect how decision makers view new attractions development. For example, they may view new attractions as unnecessary and may favour upgrading current attractions instead.

6.23 *Development and Diversification*

Development and *diversification* are linked in one way, which is the addition of a product that is more appealing to females. This idea falls under *development* because diamond tourism has the potential for creation and further development to become an established tourism sector that is appealing to females. The participants noted that it would be an added component of marketing because it would diversify target markets of the tourism supply package. The relationship between *development* and *diversification* illustrates that development is a vehicle for economic development and further diversification.

6.24 *Cooperation and Management*

Cooperation and *management* have two relationships that should be noted. The first relationship is that problems with the availability and nature of tourism research hinder the development of partnerships. Participants contended that research does not support the cooperative efforts made by stakeholders. Furthermore, these participants also stated that this lack of support is preventing ideas from moving to the development stage because there are insufficient data to support decisions.

The second relationship is under *management* constraints and opportunities. *Labour* and *education* are linked because of their cause-and-effect nature; when there are no educational networks to train the labour force, it is likely that there will not be enough trained individuals available for tourism employment. Both of these indicators react strongly with each other and also serve as a solution to each other's problems. For example, a lack of skilled labour in the workforce may lead to educational efforts to eliminate this constraint.

Within the *cooperation* concept, the *access to mines* indicator is linked with *management security issues*. The participants indicated that security issues prevent tourists from accessing the diamond mines and inhibit the mining corporations from granting permission for tourists to enter the diamond mine sites. This access is critical for the successful development of diamond tourism development in Yellowknife. The relationship between *cooperation* and *management* indicates that further tourism research and training of the workforce are needed, along with a greater understanding of the benefits that can be an outcome of cooperation between the mining corporations and the tourism industry.

6.25 Cooperation and Diversification

There are two ways that *cooperation* and *diversification* can be associated with each other. Linkages exist between the indicators *stability of the tourism supply package in diversification* and *failed initiatives in cooperation*. The decline of the aurora borealis viewing sector is the primary example of the link between these two concepts. Some participants felt the failing aurora sector is a cooperation constraint because it illustrates the lack of cooperation between industry and government. These participants indicated that because the tour operators within aurora tourism were unable to cooperate, they created a highly competitive business environment. The aurora sector is strongly associated with the stability of the tourism supply package because of its impact on the other tourism sectors in the supply package. Several participants noted that the aurora sector's decline is causing greater concern for the remaining tourism sectors.

There also are linkages between *diversification* opportunities located within the *stabilize economy* indicator and *development* opportunities through *developing*

attractions. Generally, the participants felt that diamond tourism would contribute to economic diversification by developing the existing tourism attractions. The relationship between *cooperation* and *diversification* indicates that a major problem was created among stakeholders because of failed initiatives in the past and an unstable tourism supply package, signalling the need for greater cooperation. There also is a need for further development of tourism attractions as a way to strengthen the economy through diversification.

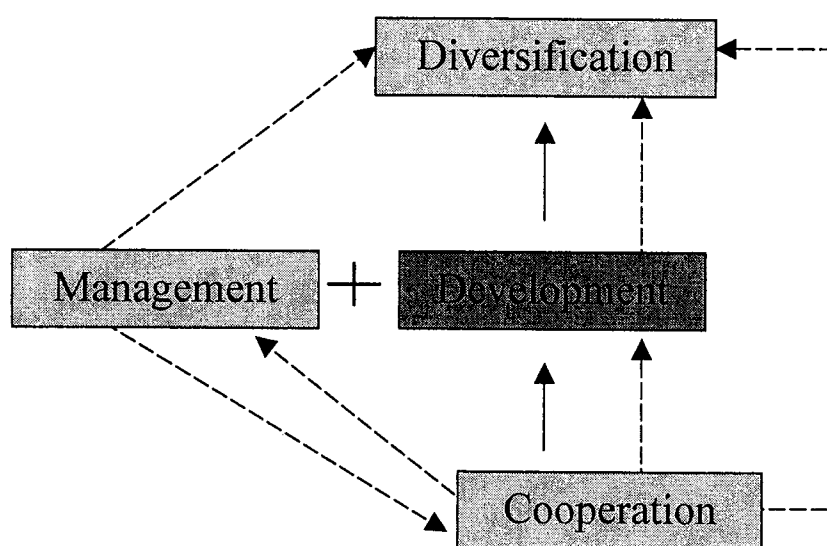


Figure 9. Interactions Between Concepts

In summary, figure 9 illustrates the above material as an additional level of interaction between the concepts and demonstrates the complexity of the relationship between concepts. The following section expands upon this understanding by discussing proposals that contribute to theory derived from the data. Four proposals specific to diamond tourism development were identified: (a) Nonprofit organizations have a particular role in cooperation; (b) cooperation in the form of partnerships has a vital role in the development of diamond tourism; (c) government must assume a strong role in

management of tourism development to be successful; and, (d) economic diversification is an outcome of tourism development. These four proposals are discussed in the same manner as mentioned above.

6.3 Discussion and Proposals

6.31 Proposal 1: Nonprofit Organizations Have a Particular Role in Cooperation

The first proposal that emerged was that nonprofit organizations play a major role in cooperation. Nonprofit organizations within this study acted as a central organization that brought together various stakeholders for diamond tourism initiatives. The most prominent example of this was with the nonprofit organization: Northern Frontier Visitors Association (NFVA). The NFVA effectively organized the first diamond tourism initiative, the diamond display, by bringing together mining and tourism stakeholders with federal and territorial government funding. On a smaller scale, the Prince of Wales Northern Heritage Centre (PWNHC) has also brought together mining and tourism stakeholders for special displays and exhibits on diamonds and tourism. These examples illustrate how nonprofit organizations pull stakeholders together for the greater good of diamond tourism development specifically, and northern tourism development more generally. It can be argued that the contributions of the nonprofit organizations are the initial step to partnerships within cooperation that is explained further in proposal 2.

On a micro scale, nonprofit organizations are able to play a significant role in cooperation because of their central philosophy of accomplishing good for the greater society. Nonprofit organizations often have an agenda that will benefit the greater society, and this is no different with Yellowknife tourism nonprofit organizations. As the

Yellowknife tourism industry is one of the top three economic contributors to the region, nonprofit organizations bring together tourism stakeholders to present a unified front when organizing the tourism industry that will benefit the community with jobs and financial contributions. Nonprofit organizations such as the Prince of Wales Northern Heritage Centre rely on volunteers who contribute to the overall operation of the centre. Community member volunteers contribute to cooperation through assisting with the successful delivery of a community activity and centre that is looked upon in a positive manner by the greater community. During focus groups, participants did not refer to the nature of the NFVA and PWNHC as nonprofit organizations with particular social economy characteristics, rather they referred to them and their activities by specific volunteer, employee, and organizational names.

6.32 Proposal 2: Cooperation in the Form of Partnerships Has a Vital Role in the Development of Diamond Tourism

This is the second proposal that emerged from the data and is a crucial component in diamond tourism development. The following section will discuss the themes associated with cooperation along with the existing literature. Initially, *partnerships* and *communication* were underlying themes for the concept of *cooperation*. Many of the constraints reflected a lack of partnerships; the reverse of this was the opportunity indicated by the participants to build strong social bonds by communicating with each other. Blaxter, Farnell and Watts (2003) stated that communication is a key component of successful partnerships with industry and local government. A partnership is needed for any type of initiative to be implemented in the community for tourism development. In this study, many of the participants described diamond tourism as a component of the

overall tourism supply package. They also understood that in order to achieve this, major consideration would be needed to improve cooperation, coordination, and partnerships. In addition, successful partnerships must embrace productivity and have a common goal (Blaxter et. al., 2003).

One initiative that requires strong and healthy partnerships, as indicated by the participants, is the upgrading of old services or the building of new attractions and services to attract tourists. One possibility was the upgrading of old cutting and polishing facilities. Another example given by participants was the creation of a diamond interpretive centre that required partnerships for the building and operating phases. Such ongoing projects need to be founded on continuing cooperation, trust, and coordination between the public and private sectors, according to Berry and Ladkin (1999). The Government of Canada (2003) reported that partnerships in rural communities have facilitated the development of new buildings and attractions to attract potential tourists. Examples of infrastructure developments in the study included improved water quality, improved waste management systems, and safer local roads and transportation systems.

In a study on stakeholder perceptions of tourism, Hardy (2005) found that “operators place priorities on concerns such as infrastructure and business-related issues” (p. 122). This includes dissatisfaction with the infrastructure provided because of limited access and visitor access (Hardy, 2005). Hardy’s (2005) work, which was based in the Daintree area of Queensland, Australia, directly relates to the findings of this study, which placed a strong importance to developing city infrastructure and visitor access. Several participants commented on the limited road access to the city, specifically one highway that acts as an entrance and exit point for all traffic visitors.

Participants indicated that the lack of tourism research is a major barrier to the creation of partnerships. They noted that partnerships are difficult to establish when appropriate and useful data do not exist to support initiatives. This complicates the development of diamond tourism initiatives because the partnerships are absent. Contributing to this problem is the reality that the stakeholders are hesitant to cooperate because of failed initiatives in the past or because some natural partnerships or links have become strained. This reinforces the work of Nepal (2000), who found that strained partnerships among groups hinder progress and the functioning of joint projects. Nepal's (2000) study of tourism development in protected areas in the Himalaya Mountains of Nepal illustrated similar characteristics to tourism development in Northern Canada.

A variety of challenges exist in stakeholder relationships in northern tourism development as described by Notzke (1999): stakeholders are faced with various challenges in the areas of public engagement, cultural preservation, and community reactions. A challenge was recognized by Martin (2008), who found that lack of understanding and communication between stakeholders is an obstacle in working together. Increased communication through the use of advanced technology can enable stakeholders to communicate more effectively (Martin, 2008). However, Jamal and Getz (2000) found that stakeholder involvement is an important stage in partnerships within tourism planning and development. Therefore, effective measures need to be taken to eliminate or minimize potential stresses and issues among stakeholders. Bramwell and Lane (2000) noted that stakeholder involvement is important in tourism development and that partnerships bring together various individuals from several sectors. They also asserted that stakeholder involvement in partnerships for tourism development can add a

competitive edge to a destination and that partnerships in tourism development can influence tourism policies within government (Bramwell & Lane, 2000). Furthermore, Getz and Timur (2005) supported Bramwell and Lane (2000) by describing the importance of stakeholder partnerships in tourism to strengthen economic, social, cultural, and environmental aspects of a community.

Another way to benefit the development of tourism is to incorporate education. Blaxter et al. (2003) noted that education can be a way to address tensions, dilemmas, and challenges associated with partnerships. The importance of partnerships was noted by Blaxter et al., who stated “Whether it is for lifelong learning, community strategy making, or neighbourhood renewal, partnerships between government and non-government community organizations are required” (p. 138). In addition to education, developers can utilize methods of stakeholder analysis to maximize stakeholder cooperative efforts. As Grimble and Wellard (1997) stated, it is important in stakeholder analysis to identify, assess, and compare all stakeholders to examine potential conflicts, compatibility and trade-offs during collaboration. If these conflicts are noted in advance, then dismantling potential conflicts can lower the intensity of the problems.

6.33 Proposal 3: Government Must Assume a Strong Management Role in Tourism Development

The next proposal to discuss is government, and in particular, government support and its role in educational initiatives. Government must assume a strong management role in tourism development and an important first step is through a variety of supporting activities. An important topic discussed by participants in focus groups and interviews was the lack of support from all levels of government, the tourism industry, and the

mining companies, reinforcing the concerns about a lack of government support for tourism development in a number of other tourism studies (e.g., Joppe, 1996; Lankford, 1994; Wilson et al.,2001). Numerous comments from participants were related to the role of government agencies in the constraints and opportunities relevant to diamond tourism, and this provided a sense of the importance of government support for development initiatives. This links with the work of Wilson et al. (2001), who found that there is a need for strong support from the government in order for tourism initiatives to be successful. The need for strong government support was also found in Tosuns' (2006) study, which focussed on the nature of community participation in tourism development in Turkey. Additionally, Baum and Szivas (2008) conducted a study on human resource development in tourism, identifying issues such as the lack of education for industry-specific training and the ability to pull in new employees; their findings clearly link with literature on northern tourism development and the management section of this discussion. Furthermore, Baum and Szivas (2008) found that human resource development in tourism by governments is “substantially neglected” (p. 783). These authors outline the central role and importance of government in education, training, and human resources within the tourism industry.

Government support is the key theme for social economy organizations (e.g. Quarter, 1992). This is the situation in Yellowknife for diamond tourism development, where nonprofit organizations have been granted government funding to pursue diamond tourism development objectives. As well, nonprofit organizations have obtained financial support from the mining and tourism industries to complete funding requirements for development initiatives. Another important role of government is to facilitate various

aspects of tourism development through programs that help community groups and entrepreneurs meet their objectives (Joppe, 1996; Wilson et al.).

The lack of government support was identified more specifically by those participants who believed that the federal government has a minimal role in tourism in Yellowknife. Many of the perceptions that the federal government is not involved were related to funding and the pursuit of tourism as a viable strategy for economic diversification. Similar views were expressed in a study on tourism development and government involvement by Wilson et al. (2001). The views of some Yellowknife participants were in contrast to the reality that the federal government made the financial contribution for the first major diamond tourism development: the NFVA diamond display (see Federal Government of Canada, 2008). This lack of knowledge suggested limited communication between government and industry on funding contributions for tourism development. Getz and Timur (2005) also stated that cooperation and communication between government and industry is vital to tourism development. The participants felt that the federal government is not financially contributing to diamond tourism development, which also relates to a management issue in educating the community on the role of the federal government in community development.

In addition, reviewing the federal government's mandate for economic development in the north the federal government has a dedicated and committed approach to economic development and the overall well-being of communities of the north. This entire situation can be related to the lack of cooperation, communication, and partnerships among the stakeholders (see Bramwell & Lane, 2000; Getz & Timur, 2005). Acknowledgement of this shortcoming would allow the stakeholders to begin to build

partnerships within the community of Yellowknife to develop diamond tourism. This finding is closely associated with the work of Sharpley (2003), who found that a lack of support from government can hinder the development of rural tourism.

The second important theme within this proposal is based on education, industry-specific training, and the lack of skilled labour in the tourism industry. The lack of industry-specific training has contributed to limited skilled labour in the mining and tourism industries. It also has contributed to the labour shortages among small businesses in Yellowknife. The cause-and-effect nature of this problem may lead to the solution of this problem. By developing more nonprofit organizations dedicated to educational initiatives that support industry-specific training, the possibility of reducing the skilled labour shortage increases. An example would be implementing a new tourism program at the Aurora College, or by developing a new nonprofit organization such as an industry specific tourism college (similar to Tourism Training North).

The participants in this study on diamond tourism noted that there have been times when they have been unable to provide professional services to tourists due to inadequate skilled labour. Examples of this usually involved managerial and accounting skills in a retail environment. In addition, industry-specific training is not offered in Yellowknife, and this has contributed to an unskilled labour force in tourism that is unable to seek training if desired. This supports the research by Notzke (1999), who found that there is a need for tourism education in the north. Participants also noted that there are a limited number of people to employ in tourism because most of the people tend to work in the higher paying industries such as mining. Many participants felt strong

migration marketing strategies were needed to encourage population growth in the community.

Baum and Colin (1994, 2003) stated that the “impact of seasonality, limited skills within the labour market, and issues of access to formal education and training for the tourism sector” are issues for northern regions (p. 42). Baum (2006) outlined nine characteristics of labour market limitations in northern tourism that can contribute to the findings of this study. Keep and Mayhew (cited by Baum, 2006) noted nine characteristics labour market limitations, including tendency to low wages (except where shortage of skills acts to counter this); prevalence of unsocial hours and family-unfriendly shift patterns; rare incidence of equal opportunities policies and male domination of higher level, better-paid work; poor or non-existent career structures; informal recruitment practices; failure to adopt formalised ‘good practice’ models of human resource management and development; lack of significant trade union presence; high levels of labour turnover; and difficulties in recruitment and retention. Of these nine, high levels of labour turnover, difficulties in recruitment and retention, tendency for low wages, and informal recruitment practices were described or touched on by participants in this study. A solution for several of these items are provided by The Economic Council of Canada (1990), which stated that education can help fill in a skilled labour shortage and can support diversification through a stronger labour force that can contribute to economic development. Another solution to the shortage of skilled labour was suggested by Liu and Wall (2004), who stated that by including human resource issues in broader tourism development strategies, many of the issues associated with human capital deficiencies can be eliminated. In a study on rural tourism and the challenges of tourism

diversification, Sharpley and Telfer (2002) found that no training or education on business operations had been offered to community members, and very few of the study participants felt that they possessed the skills necessary to provide professional service to tourists, which resulted in slower progress toward diversification.

In a study completed by Haywood, Reid, and Wolfe (1993) on enhancing education and training for tourism in the NWT, it was found that not much attention had been given to tourism education and training. Interestingly, more than 15 years later, the same comments are coming from tourism stakeholders in Yellowknife, NWT. Participants mentioned that there used to be a government-funded nonprofit organization that specialized in tourism industry training; however, as of 2007, government funding was cancelled. In Haywood, Reid, and Wolfe's study (1993), participants expressed concern with recruitment, selection, on-the-job motivation, and attitudes towards both work and visitors. In this study on diamond tourism, many participants talked about recruitment issues and a lack of selection; however, nothing was mentioned about on-the-job motivation and attitudes towards work and visitors. There are a few possible reasons for these differences. First, this study was not focussed specifically on education and training, so probing questions into these areas were not asked during focus groups and interviews, and second, nearly 16 years has passed since Haywood et al. (1993) study was completed. During this time, there have been significant changes to the tourism industry in regards to activities and numbers, but also to communities and the economy generally. As the tourism industry has been developed, there has been an increase in employment; unfortunately, as a result, the labour pool has been stretched thin with the development of the diamond mining industry that is also based in Yellowknife.

Baum (2003) explained that effective management in the tourism sector can eliminate many of the problems associated with education and labour issues in the tourism industry. Haywood et al. (1993) suggested that when managing education and labour issues, employers need to “improve service, encourage a service ethic through setting an example, nurture ongoing training programs, and take a collaborative approach to managing people” (p. 44). In this study, participants suggested government-supported, industry-specific training programs and government-promoted migration to the area as solutions to staffing shortages and an under-skilled tourism labour force.

Haywood et al. (1993) stated that tourism in the NWT is community based and that the Government of the NWT “advocates a strong northern approach to tourism development and education” (p. 47). If this is still the intention, then the government needs to play a stronger role in encouraging industry-specific training for tourism and to develop greater incentives for migration to Yellowknife. A possible solution was described by Getz and Timur (2005) in their study on stakeholder involvement in sustainable tourism. Getz and Timur (2005) stated that stakeholder management can help predict the cause and effect nature of problem areas and recommend structures and practices that will ensure stakeholder management is being established.

6.34 Proposal 4: Economic Diversification Is an Outcome of Tourism Development

Economic diversification is the final proposal to discuss because it is the outcome of management and development. Economic diversification is seen as an outcome of northern tourism development. In this study, diamond tourism was viewed as an important opportunity for diversification because it will strengthen several aspects of the tourism industry. This perspective was in line with the conclusions of other studies that

have explored this relationship. For example, Wilson et al. (2001) found that the more tourists have to do in a community, the longer they will stay in the area to undertake those activities. Similarly, Joppe (1996) pointed out that tourism is a vehicle of choice for revitalization and business development. Additionally, Telfer (2002) described how tourism development is an opportunity to diversify the economy through a viable economic industry. Furthermore, Nuttall (1998) found that tourism development can help diversify northern communities through cultural and economic ways.

Several ideas for diversification were put forward by the participants. One of these related to attracting more female travellers to counter some of the dependence of the hunting, fishing, and outdoor adventure sectors on male travellers. Another aspect related to the possibility that the new subsector could complement and support the deteriorating aurora borealis tourism sector. Many participants viewed the development of diamond tourism as a way to recover from the sagging aurora industry. Nuttall (1998) and Hohl and Tisdell (1995) found in their studies that tourism activities in Arctic regions and peripheral areas are generally limited to scenic and nature-based tourism activities, and they stressed the importance of tourism development leading to diversification to increase longevity of local tourism industries.

Diversification would facilitate a stronger tourism supply package that is more appealing to a broader range of tourists (Busby & Rundle, 2000); this was viewed as vital to Yellowknife's tourism supply package because there have been no new subsectors since aurora tourism developed more than 15 years ago. The development of the diamond tourism subsector could play a role in a diversification plan that would strengthen the

overall industry and contribute more generally to diversification goals in the broader economy.

The participants also recognized that economic diversification is an element of community development and that any diversification is potentially going to help all of the residents. Given the current boom in mining, there is only moderate interest in the region for diversification, especially in tourism, which has a reputation for low-paying and primarily seasonal jobs, mostly because governments are more focussed on mining. However, despite the lack of community awareness and general interest in tourism, economic diversification through tourism can provide additional economic stability that may be needed during bust cycles in mining. Simpson (2008) identified several problems associated with community-based tourism initiatives and found that the lack of understanding for community needs is a serious challenge. Furthermore, Simpson (2008) found that disparate opinions and a silent majority exist within stakeholder groups, and these factors influence the knowledge of community-based tourism initiatives. Additionally, Sharpley (2003) discussed the social benefits of tourism as a form of economic diversification to strengthen a community. This might be a particularly poignant issue during the current economic downturn of 2008/09 that has generated declines in mineral prices and a subsequent slowdown in the mining sector.

These proposals are specific details of the story of diamond tourism in NWT; however, the proposals can lead to a more general explanation of northern tourism development and help with the development of a theory. These four proposals outline the importance of nonprofit organization for cooperation, the importance of partnerships for cooperation, the importance of government support and educational initiatives for

management, and finally how economic diversification is an outcome of tourism development. These four proposals build on the concepts and themes outlined in Chapter 5 and the relationships discussed in the beginning of this chapter. Together, these four proposals lead us to the creation of a theory for this study. The integral theory of this study is focused on the role of tourism nonprofit organizations in northern tourism development. Nonprofit organizations are a part of the social economy, which encompasses many aspects of this study such as cooperation, partnerships, government support, educational initiatives, management, and economic diversification. The following section will discuss the emerging theory for this study.

6.35 Theory: Tourism Nonprofit Organizations bring stakeholders together in a cooperative manner that supports aspects of Northern Tourism Development

The following section of this chapter illustrates the emerging ideas that might contribute to a theory. The development of a theory can be based on the concept that nonprofit organizations play a significant role in northern tourism development. Due to the substantial contributions of nonprofit organizations towards diamond tourism development initiatives, it can be concluded that tourism nonprofit organizations have the potential to play a significant role in tourism development. Figure 10 illustrates a model of a potential theory that shows the process of how nonprofit organizations contribute to northern tourism development. As illustrated in Figure 10, tourism nonprofit organizations contribute to tourism development via the concept cooperation through means of partnerships, community development and educational initiatives, and government funding.

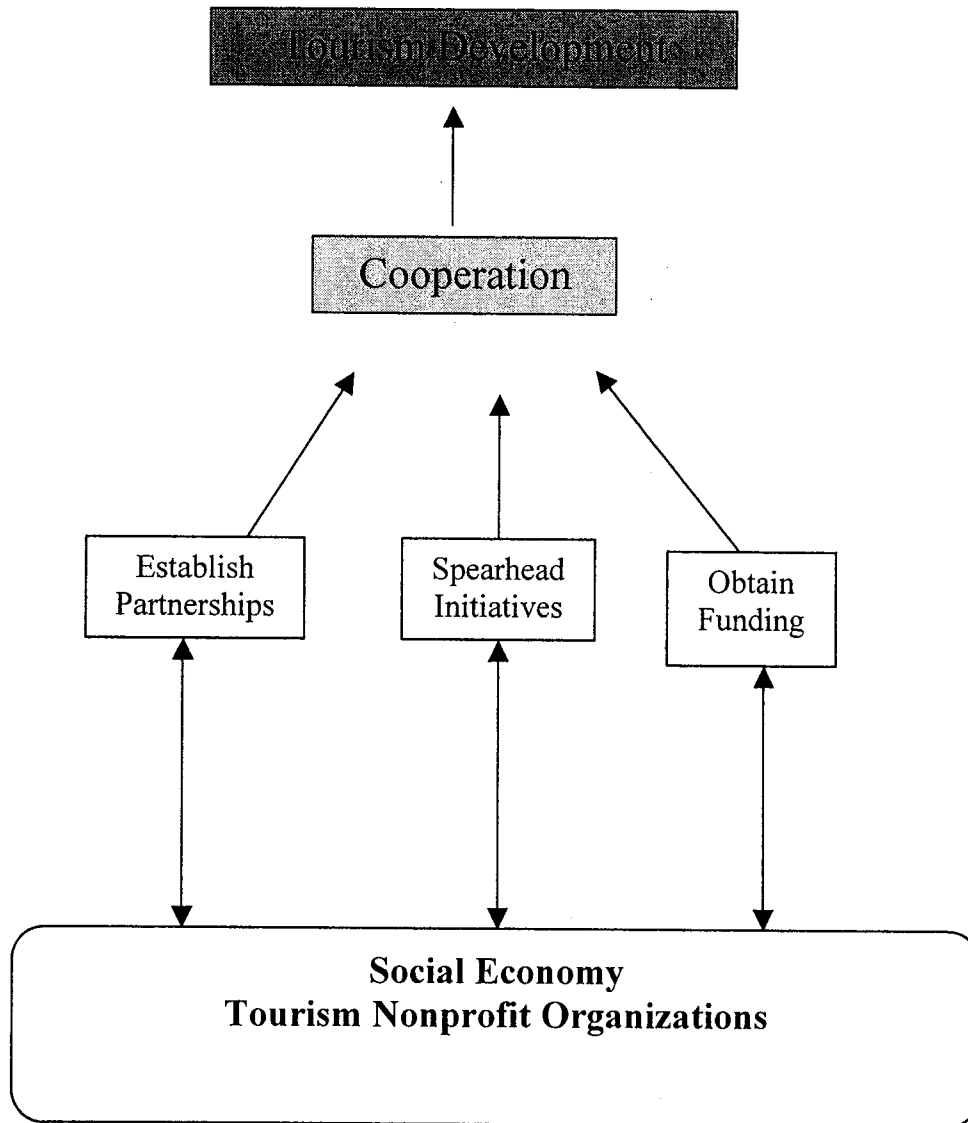


Figure 10. Model for potential theory.

What this study has found links with existing theories of northern tourism development, this study has also identified components of a possible theory that relates to the social economy and northern tourism development. This theory outlines the involvement of nonprofit organizations in northern tourism development. In pursuing the first objective of the study--to examine the existing conditions of the tourism industry related to diamond tourism-- it became clear that nonprofit organizations do play a key

role in the development of diamond tourism in Yellowknife. This involvement was supported by the comments of several participants, who discussed the primary groups that are involved in current diamond tourism product development initiatives, primarily the NFVA diamond display. Furthermore, discussions with the participants from these organizations found that nonprofit organizations also play a vital financial role in diamond tourism development. As government grant holders, nonprofit organizations undertake management functions of planning, coordinating, budgeting, and completing diamond tourism product development initiatives. The largest diamond tourism product development initiative to be completed in Yellowknife has been the Northern Frontier Visitor Centre diamond display. As previously noted, this project involved significant funding from the federal government that accounted for nearly 75% of the total cost of the project. The remaining funding was raised by the NFVA from industry stakeholders in mining and tourism industries, and various other local businesses. This tourism development initiative supports the reality that many nonprofit organizations are funded primarily through government, and it also supports the idea that nonprofit organizations are leading the way for diamond tourism development, as it was the coordination and partnerships of nonprofit organizations that set the stage for diamond tourism.

This importance of the role of the social economy in tourism development ties in with the work of Quarter (1992), who pointed out that nonprofit organizations are generally funded through government grants in their activities. Further, nonprofit organizations have objectives that support community development initiatives without any commercial or monetary profit accruing to that organization (Behn et al., 2007). Considerable research on tourism development contains reference to nonprofit

organizations (e.g Getz, 2005; Jamal & Getz, 1995; Selin, 2000; Selin & Chevez, 1995; Wilson et al., 2001). However, there is limited research that explores the central role of tourism nonprofit organizations and tourism development within the framework of the social economy.

Within Yellowknife, the nonprofit groups that are most involved in diamond tourism initiatives are the NFVA and a diamond tourism working group. These two groups worked cooperatively to establish additional investment partnerships with both mining and tourism industry organizations. Their efforts contributed to the first diamond tourism activity in Yellowknife. Other nonprofit groups are involved with diamond tourism development, and their roles should be recognized, as they have contributed substantially in the areas of planning and financing. This relates to Freeman's (1984) stakeholder theory in which organizations are characterized by their relationship to various stakeholder groups. When multiple groups are associated with the same initiative, it strengthens the initiative and validates the involvement of other groups. This is why stakeholder groups need to consider dimensions of business and society relationships (Getz & Timur, 2005).

Generally, nonprofit organizations have a volunteer feature to their organization. In the Yellowknife scenario, a substantial amount of work on diamond tourism has been completed by volunteers, yet Yellowknife nonprofit groups are mostly run by paid employees. However, all seven nonprofit tourism groups are directed through a volunteer board or committee. Upon review of the volunteer boards and committees, it is clear that many of the board members have full time paid employment with various other tourism and mining organizations and businesses in Yellowknife. The issue of volunteering and

volunteer-related constraints and opportunities did not arise during data collection through focus groups and interviews. One of the reasons for this could be that most participants were involved in volunteer boards while they were employed with another stakeholder group. During focus groups and interviews, participants talked solely of their roles as paid employees and their involvement in particular diamond tourism initiatives as a paid employee. Many times, participants would speak about the new diamond display exhibit while seemingly knowledgeable of the initiative; however, generally speaking, individuals did not discuss their involvement in diamond tourism as board volunteers, but rather from the perspective of being paid employees in full time positions or as a stakeholder for diamond tourism as a whole. Some of the diamond tourism nonprofit groups relied heavily on volunteers such as the NWT Mining Heritage Society, whereas others relied partially on volunteers like the Prince of Wales Northern Heritage Centre. The remainder of the nonprofit organizations were fully sustainable through government grants and able to have paid employees. The interesting relationship between organizations and nonprofit groups was that all stakeholders were working towards a common goal and saw their involvement in diamond tourism initiatives as part of their paid work responsibilities.

Another role that nonprofits play in the development of diamond tourism is education, particularly, in the area of educating the community about the benefits of tourism. In communities looking to develop tourism, residents often need education in order to prepare them for tourism or to boost their interest in tourism (e.g. Joppe, 1996). Several participants stated that community members are unaware of the benefits of tourism and the potential role of tourism in economic diversification, which may then

lead to a more economically stable community. Wilson et al. (2001) concluded that showcasing a community as a whole can improve community involvement and increase word-of-mouth advertising. This is one way that diamond tourism may benefit the broader community and facilitate economic diversification. A second way for nonprofit organizations to assist in educational initiatives is to secure governmental funding for educational initiatives. Many participants discussed the gap between education and the tourism industry, as well as the collapse of the Tourism Training North initiative. This identified gap is a key step to improving industry-specific training and should be a focal point for government financial support.

These aspects of diamond tourism have the potential to develop the economy further through new employment opportunities that sustain the social economy by supporting educational facilities. As well, the recognition developed by showcasing the entire community can increase community awareness and support, as well as boost government funding for training, partnerships, coordination, and infrastructure, all of which will help to support economic diversification and community stability during mining fluctuations. These elements are the purview of the social economy, and it is clear from this study that the nonprofit organizations involved in tourism development in Yellowknife play a central role in moving forward economic development initiatives that are linked with social development.

6.4 Summary

This chapter explained the underlying linkages between the major concepts that emerged from the analysis of the interview data. This chapter reviewed the emergent proposals that derived from grounded theory analysis and related these to a theory. These

findings may help to fill gaps in the research literature on tourism development, social economy, and rural or northern tourism development. Furthermore, the findings help to answer the three research objectives and provide a foundation for future studies in these areas.

CHAPTER 7: CONCLUSION

7.1 Introduction

The chapter discusses the implications for this research on diamond tourism development in Yellowknife and concludes this study with some final thoughts and suggestions for future research.

7.2 Implications of the Study

Diamond tourism development in Yellowknife is being supported by organizations in the social economy that are working on a not-for-profit basis either to support the tourism industry in general or to help advance the emergence of diamond tourism in particular. Special attention should be given to these nonprofit organizations, particularly involving tourism development, because they are able to act as a central organizing committee that brings together a variety of stakeholders.

The two diamond tourism working groups whose mandates are to support diamond tourism should be prepared to take the lead in influencing its direction. Perhaps influencing through strategic planning will take the stakeholders beyond the vision that now exists for preliminary product development and marketing efforts. The stakeholders could be directed toward achievable goals that reflect the current conditions and likely changes in the near future. These working groups should pay special attention to the constraints identified in this study while continuing to use the opportunities as a foundation for progress. Though some of the constraints might not be resolved, many of them can be resolved through the concerted efforts of all stakeholders. Likewise, not all of the opportunities will be realized, and it will require some focused effort to take advantage of those that have the most potential. If these working groups feel that they

should not be the central voice for diamond tourism, then it would be beneficial to find a diamond ambassador, in the form of an organization or individual, to further plan and develop diamond tourism initiatives. This organization or individual would then be able to ensure the success of diamond tourism as a subsector in the Yellowknife tourism industry. Regardless of who decides to be the central voice for diamond tourism, that individual or association needs to understand that cooperation and investments are significantly needed from all of the stakeholders in order for diamond tourism to be successful.

Another implication of this research is the need for consistent yearly exit surveys and other strategic data that are not reliant on estimations. The participants stressed the importance of consistent tourism reports in the form of exit surveys so that diamond tourism initiatives have support when approaching the planning process and the development of partnerships. Obviously, this would also affect all forms of tourism, as consistent research is desperately needed for a variety of initiatives. Effective research would allow the stakeholders to create partnerships and secure financial support from government organizations. Consistent research also would signify the importance of diamond tourism as a subsector and would provide all levels of government with the information needed to put diamond tourism on the agenda and tourism strategy plan.

In addition, the community needs to have a broader acceptance of tourism and diamond tourism initiatives and understand that tourism is an opportunity for economic stability. Additionally, tourism in general can be an opportunity for economic diversification that might help groups in the community achieve economic, social, and environmental goals that cannot be met through reliance on resource extraction

industries. Progress in the development of diamond tourism as a community endeavour has been inhibited by the lack of a common vision and a general lack of interest in tourism as a source of diversification. It is important that the community understands and develops a common vision so that cooperation and partnerships can be established for diamond tourism development. As well, the tourism industry needs to understand that some of the constraints may prohibit the future development of diamond tourism, such as tourists not being able to visit a diamond mine. If tourists are unable to accept that at this destination they can not visit an actual diamond mine, then the allocation of tourism resources needs to be reconsidered and perhaps reallocated to already existing tourism initiatives or new possibilities.

7.3 Final Thoughts

This study utilized a grounded theory approach to understand the constraints and opportunities of diamond tourism development in Yellowknife, NWT. Through focus groups and interviews, data were collected, transcribed, and analyzed using the grounded theory coding system of open, axial, and selective coding. Once the findings were reviewed, theoretical saturation facilitated the emergence of the theories from the data. The three objectives for this study were addressed in the findings and discussion chapters, and the following summary for each objective is as follows. The first objective, which was to examine the existing conditions leading to the development of diamond tourism, it was found that there are several conditions in the development of diamond tourism. Some conditions that exist are related to the setting, research that is in place in the area, conditions of the diamond mines, and the local economy of Yellowknife. For the second objective, which was to examine the opportunities and constraints of diamond tourism in

Yellowknife as viewed by diamond tourism stakeholders, it was discovered that there are many constraints and opportunities associated with the concepts: *cooperation*, *development*, *management* and *diversification*. The detail provided by these stakeholders completes the picture that has already been started in regards to constraints and opportunities as were described earlier in Chapter 2. All of these constraints and opportunities helped me to further understand the situation of diamond tourism and allowed me to see areas where improvement can occur and provided recommendations for some of the problems associated with the development of diamond tourism. The final objective was to explore the relevance of the social economy framework to understand the development of diamond tourism. It was discovered that nonprofit organizations have a role in the development of diamond tourism, and since nonprofit organizations are part of the social economy, it is safe to say that the social economy framework is relevant to the development of diamond tourism. These discoveries have led to the development of proposals and a theory that can contribute to northern tourism development and social economy literatures. As the theory outlines, tourism nonprofit organizations can bring stakeholders together in a cooperative manner to support aspects of northern tourism development and this should be further addressed in literature.

Even with the development of theory, there is still a need for more research on diamond tourism in Yellowknife, particularly in the area of social economy and tourism. Neamtan (2007) stated that tourism is under-explored in social economy research, and stressed the importance of and need for further research in this field. A number of researchers have examined community-based tourism efforts in Nunavut, the Yukon, and NWT; however, there is limited research in these regions on understanding tourism

development within a social economy framework. To explore how northern communities can use tourism to achieve community development, more research on tourism development, community-based tourism, and the social economy is needed. Questions that future researchers might wish to ponder include the following: How do social economy organizations approach tourism in the north? Are tourism social economy organizations different from those in other sectors? What role do tourism organizations play within the social economy generally as community development proceeds? How effective are nonprofit organizations in the area of northern tourism development?

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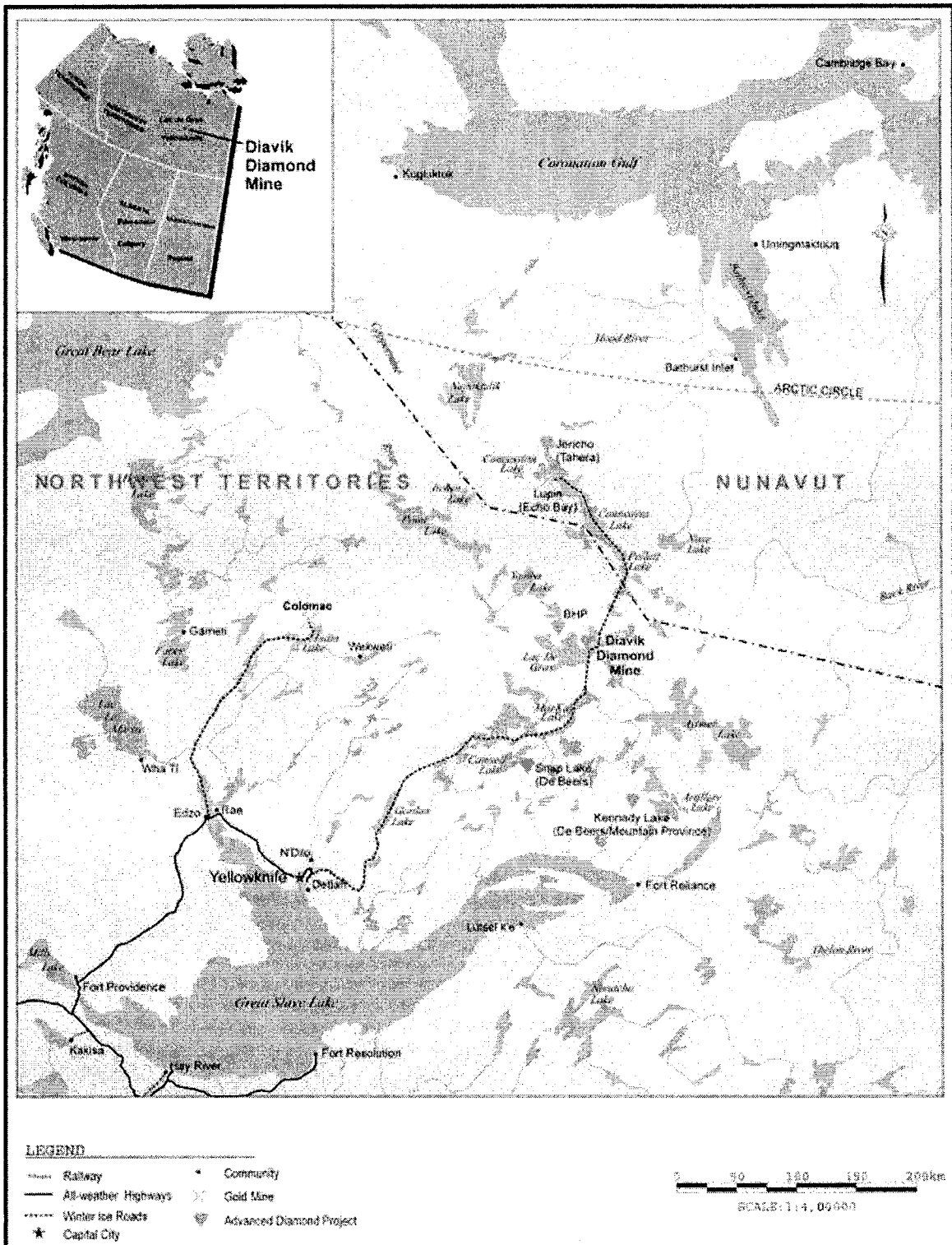
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APPENDIX A: MINE LOCATION MAP



Source: Diavik Diamond Mine

A Diamond in the Rough: Constraints and Opportunities of Diamond Tourism in Yellowknife, NWT.

Dear Potential Participant:

Thank you for volunteering to take part in a study concerning the constraints and opportunities of diamond tourism in Yellowknife, NWT.

The intent of this research is to examine the perceptions of constraints and opportunities of diamond tourism among stakeholders within the mining and tourism industries. An understanding of these perceptions will aid in future development of diamond tourism and will be made available to my community partners, the Frontier Visitor Centre and other interested groups.

By volunteering to participate in this research, you agree to be involved in a focus group with me. The focus group will take between 1 – 2 hours and will be tape-recorded. I may also ask you to participate in an interview as a follow up to the focus group. This interview would take place in a convenient location and may last between 30 - 60 minutes.

All information from interviews will be kept in separate files during the study in order to maintain complete confidentiality and anonymity. Only my academic supervisor (Dr. Margaret Johnston of Lakehead University) and I (Jamie Noakes) will have access to the original transcribed interviews. All focus group participants will be asked to maintain confidentiality regarding other members' contributions unless permission is given to share these comments. You may withdraw from the study at any time with no questions asked and you are not required to answer questions you don't want to answer. The information from all surveys and interviews will be coded and analyzed and then securely stored at Lakehead University for seven years. No individual will be identified in any report of the results unless I have specific and formal consent to do so.

The results of this study will be shared with Lakehead University, and the tourism and mining industries of Yellowknife. A power point presentation will be produced from the findings and presented in Spring of 2008. A summary of the report may be obtained from me on request and will be sent to you via email on completion of the project (summer of 2008). You may request a summary of the report via e-mail and I will send it to you.

Each participant will have the opportunity to review the focus group transcript and their own interview transcript to provide further comment or clarification on the content. Data will be securely stored for 7 years at Lakehead University, as per the research data

storage policy. All data will be stored in such a manner that no participant will be identifiable.

I'm interest in hearing your point of view and your honesty will be appreciated.

I look forward to your participation in this exciting research endeavor. If you have any questions concerning this study, I can be reached at (250) 571-2758 (throughout the months of May, June July and August, 2007) or via email at jnoakes1@lakeheadu.ca or (807) 684-2758 as of September 2007. You may also contact my supervisor, Dr. Margaret Johnston, by e-mail mejohnst@lakeheadu.ca or by phone (807) 343-8377. As well you may contact Lakehead University Research Ethics Board at (807) 343-8283.

Sincerely,

Jamie Noakes

Master's Candidate of Environmental Studies;
Nature-Based Recreation, Parks and Tourism
Lakehead University, Thunder Bay, ON

APPENDIX C: CONSENT FORM

A Diamond in the Rough: Constraints and Opportunities of Diamond Tourism in Yellowknife, NWT.

My signature on this sheet indicates that I agree to participate in a study by Jamie Noakes, on the *Constraints and Opportunities of Diamond Tourism in Yellowknife, NWT*. I understand that I will be participating in a focus group and possibly an interview afterwards. I have received explanations about the nature of the study, its purpose and procedures. I understand that when my transcript is returned to me I have the opportunity to provide further comment or clarification within 2 weeks and I give my consent to use all information in that transcript.

My signature on this sheet also indicates that I understand the following:

1. I am a volunteer and can withdraw at any time from the study.
2. I am 18 years of age or older.
3. I have not been coerced or intimidated into participating in this research.
4. There is no apparent risk of physical or psychological harm to my person.
5. The interviews will be tape-recorded and transcribed
6. I may choose not to answer any question
7. The information I provide will remain confidential and anonymous.
8. I can access a copy of the project results, upon request, in the spring of 2008.
9. The information I give will be stored at Lakehead University for 7 years and then destroyed.

Signature of Participant

Please Print Name

Date

Focus Group and Interview Framework

The focus groups aimed to gain perceptions of diamond tourism, background information on the individual, and his/her involvement in diamond tourism. The focus groups were held at neutral sites that were comfortable for all participants. After introducing myself and the study, I asked stakeholders to talk about their involvement and past experience in the tourism or mining industry and their thoughts about the development of diamond tourism. The focus groups then followed two topics of discussion. The first topic was the constraints of diamond tourism in Yellowknife and the second topic was the opportunities of diamond tourism in Yellowknife. Interviews used the same basic approach.

The following questions were used in the focus groups and interviews:

- 1) Please tell me a little about yourself, including where you work, how long you've lived in Yellowknife, and how long you've been working in your current position.
- 2) What do you think diamond tourism is?
- 3) How are you involved in diamond tourism in Yellowknife?
- 4) What do you think are the constraints of diamond tourism?
- 5) What do you think are the opportunities of diamond tourism?

Prompts that I used:

1. Can you tell me about this situation?
2. Can you explain this point further?
3. What did you mean by your comment?
4. Can you give me an example of this issue?