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ISLAND



COVID-19 Island Insights Series

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Newfoundland and Labrador

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The COVID-19 Island Insights Series is an initiative spearheaded by the Strathclyde Centre for Environmental Law & Governance (SCELG) and the Institute of Island Studies (IIS) at the University of Prince Edward Island in collaboration with Island Innovation. The initiative brings together critical assessments of how specific islands around the world have performed during the COVID-19 pandemic and the extent to which their recovery plans can promote resilience and sustainability in the long term.

For more information on SCELG see
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Newfoundland and Labrador is the eastern-most province of Canada and has a total population of just over 520,000 people.

The province is made up of an island portion (Newfoundland) and a mainland portion (Labrador).

The island of Newfoundland is the 16th largest island in the world with a population of 494,085 people.

Approximately 276,000 people live on the Avalon Peninsula with St. John's metropolitan area accounting for 212,433 people.

There are another dozen or so permanently inhabited islands in the archipelago of over 7,000 islands surrounding the main island of Newfoundland.

Labrador has a landmass of 294,330 km² and population of approximately 27,000 people, many of whom are Indigenous Innu or Inuit¹.

COVID-19 data and timeline

(as on 8th March 2021)

Number of cases on the island: 997
(0.20% of population)

Number of fatalities: 6 (0.0012%)

Schools closed on March 16 and reopened September 9, closed again February 10 and remain closed as of the writing of this paper (March 8, 2021)

Travel restrictions introduced on April 23, 2020 and are still in place.

Number tested: 115,478 (23.37%)

Number vaccinated (at least one dose): 24,757 (4.7%)

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Newfoundland and Labrador²

¹ Newfoundland & Labrador Statistics Agency, Department of Finance https://stats.gov.nl.ca/Statistics/Topics/population/PDF/Population_Estimates_CDCMA.pdf

² [https://en.wikipedia.org/wiki/Newfoundland_\(island\)](https://en.wikipedia.org/wiki/Newfoundland_(island))

COVID-19 on Newfoundland and Labrador

The year 2020 promised to be a memorable and difficult one for Newfoundland and Labrador from the start. In early January, a record snowfall accompanied by 130 km/h winds buried much of the Avalon Peninsula³. Given the power outages and massive snow clearing effort needed, the City of St. John's and affected communities declared a State of Emergency and requested military assistance in dealing with the record snowfall. That weather event, affectionately nicknamed "Snowmageddon", was followed by a series of storms and snowfalls. The City of St. John's and much of Newfoundland and Labrador were still buried in snow when the first case of COVID-19 was reported in the province on March 14.

Initial public health measures were introduced days after the first case, progressively getting stricter with the entire public school system migrating to online instructions on March 16 and the university closing on March 18. Most retailing closed on March 23 as did all visitations to long term care facilities in order to protect the residents. On April 23, the government introduced mandatory 14-day self-isolation periods for all travelers coming into NL.

Mandatory masks in indoor spaces, 2 metre social distancing, and limits on numbers of people allowed in enclosed spaces were all part of the initial response. Entry to the province and island was restricted to four groups: residents of the province and those living on the nearby French islands of St. Pierre and Miquelon requiring medical care, essential workers, and case-by-case exemptions approved by the Chief Medical Officer of Health. International travelers with Newfoundland and Labrador as their final des-

tinuation, even if they met Canada Border Service Agency requirements, were not guaranteed entry into the province⁴.

The interprovincial ferry network also made changes requiring people travelling on ferries to remain in their vehicles during crossings. Starting on March 25, the number of ferry crossings was reduced, the number of passengers restricted to half capacity and the ferry travel limited to essential workers, patients travelling for medical reasons, those travelling to purchase essential goods and supplies that are not available in their home community, and those transporting essential goods⁵. Some of those restrictions were lifted on May 8⁶. In consultations with affected communities, the ferry schedules were revised on July 1 to accommodate increased traffic over the summer months. This coincided with the creation of the Atlantic Bubble which, from July 3, allowed residents of the four Eastern Canadian provinces (Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick) to travel within the bubble without the mandatory 14-day self-isolation upon arriving at their destination. On August 27, restrictions were eased for property owners residing outside of the Atlantic Bubble with properties in the province. They were allowed to enter the province with appropriate exemption with mandatory 14-day self-isolation⁷.

The Canadian Civil Liberties Association challenged the travel restrictions on non-residents on the grounds that they violated Section 6 of the Charter of Rights and Freedoms guaranteeing Canadians' right to move freely across the country. The Supreme Court of Newfoundland and Labrador upheld the travel ban in its September decision⁸.

With a growing number of cases in some Atlantic Canadian provinces, the provincial government withdrew from the Atlantic Bubble on December 7 while remaining open to rejoining

³ <https://www.theguardian.com/world/2020/jan/19/snowmageddon-cleanup-begins-after-record-newfoundland-storm>

⁴ <https://www.gov.nl.ca/covid-19/individuals-and-households/travel-advice-2/#travelform>

⁵ <https://www.gov.nl.ca/releases/2020/tw/0325n05/>

⁶ <https://www.gov.nl.ca/releases/2020/tw/0508n03/>

⁷ <https://www.gov.nl.ca/releases/2020/health/0827n02/>

⁸ <https://www.cbc.ca/news/canada/newfoundland-labrador/nl-travel-ban-supreme-court-decision-1.5727549>

should the spread be contained. In February of 2021, an outbreak of the UK variant on the Avalon Peninsula (the most populous region of the island) connected to a large high school and associated sports teams sent the province back into a strict lockdown. By March 13, the lockdown measures were relaxed for the Avalon Peninsula from Level 5 to Level 4 and the rest of the province was put on Level 3. Schools up to Grade 9 are scheduled to re-open on March 17 while the high schools will continue to deliver their curriculum on-line.

COVID-19 Relief Measures - Federal

The national and provincial governments implemented a range of relief measures during the pandemic. The federal government offered programs directed at individuals, businesses, industry sectors, organizations helping Canadians, and provinces and territories with additional benefits directed specifically towards Canada's Indigenous peoples and communities⁹.

Programs for individuals included temporary changes to Employment Insurance (EI) program plus three new programs, Canada Recovery Caregiving Benefit, Canada Recovery Sickness Benefit, and Canada Recovery Benefit. Across the programs for the individuals the federal government paid a total of \$81.64 billion CAD in support payments and processed 27.56 million individual applications with 121,270 coming from Newfoundland and Labrador as of September 28, 2020¹⁰. There were additional programs for Indigenous peoples on both the individual level and the business level.

Business supports focused on helping businesses maintain and rehire employees, waiving tariffs on medical goods, and providing a range of financial supports in the form of loans and access to credit¹¹. The Federal Government also

created a range of sectoral supports (e.g., agriculture, fisheries, culture, tourism, energy, infrastructure, and mining) with a focus on wage subsidies and access to credit¹². Programs developed to support provinces and territories focused on wage subsidies and supporting critical health care needs. Significantly, the federal government had a Newfoundland and Labrador specific program providing \$320 million to NL's offshore oil and gas workers designed to maintain jobs "through activities such as safety improvements, maintenance and upgrades of existing facilities, and research and development"¹³.

COVID-19 and the Newfoundland & Labrador Economy

The economic context of Newfoundland and Labrador was difficult even before the pandemic. The drop in oil prices drastically reduced government revenues at a time when the province was grappling with a multi-billion-dollar debt largely as the result of an ill-advised and poorly managed hydroelectric project in Labrador known as the Muskrat Falls project. Dam construction and transmission infrastructure costs ballooned from an initially projected \$7.4 billion to \$12.7 billion CAD. The Commission of Inquiry Respecting the Muskrat Falls Project tabled its extensive report on March 5, 2020, just before the first provincial case of COVID-19 was identified¹⁴.

With finances stretched to the limit with a \$23 billion Cdn. public sector debt in 2019, the offshore oil and gas sector already in turmoil, and the pandemic effectively shutting down the tourism and hospitality and retail sectors, the provincial government released a delayed budget in September 2020 projecting a \$1.84 billion deficit. The budget earmarked \$30 million in

⁹ <https://www.canada.ca/en/department-finance/economic-response-plan.html>

¹⁰ <https://www.canada.ca/en/services/benefits/ei/claims-report.html>

¹¹ <https://www.canada.ca/en/department-finance/economic-response-plan.html>

¹² <https://www.canada.ca/en/department-finance/economic-response-plan.html>

¹³ <https://www.canada.ca/en/department-finance/economic-response-plan.html>

¹⁴ <https://www.gov.nl.ca/iet/muskrat-falls-a-misguided-project/>

COVID-19 relief for small businesses and community organizations, \$1 million to support artists and musicians, and \$1 million for craft breweries with additional funding available to other sectors.

COVID-19 Impacts on Newfoundland and Labrador

Newfoundland and Labrador has always been dependent on natural resources extraction and export. In the past, the fishing industry was key. Today, provincial government revenues are largely dependent on oil and gas and mineral extraction sectors. There is growing reliance on tourism, especially in smaller, rural communities.

Tourism and the hospitality sector, as well as the retail sector, appear to have experienced the most acute impacts of COVID-19. Tourism and hospitality accounts for 1.7 percent of GDP and 7.5 percent of employment while the retail sector counts for 5.1 percent of GDP and 13.2 percent of employment¹⁵. Both of those sectors were effectively closed for most of 2020. The available tourism data on international and domestic travelers indicate an 81 percent drop in international travelers and 95 percent drop in domestic travelers between November 2019 and November 2020¹⁶. In addition, claiming COVID-19 impacts as the cause, national airlines have canceled international and interprovincial flights from St. John's, making international and Canadian travel significantly more difficult¹⁷. Permanent closures of those flights will likely have a significant long-term impact on tourism, making the post-COVID-19 recovery much more difficult for the sector.

While there is only limited data on impacts of COVID-19 on the economy at this time, anecdotal evidence suggests that rural parts of the island were hit harder economically than urban

regions. With the oil and gas sector shedding jobs and tourism in rural parts of the province coming to a standstill, there are indications that some of the 277 incorporated municipalities in the province may not be able to maintain their municipal status. Business closures in rural and urban areas have been evident, but again, only limited data is available at this time. Currently available data show that 43 percent of business in the province have laid off at least one person during the pandemic. As many as 32 percent of small businesses employing one to four people laid off at least one person and over 50 percent of medium sized and large businesses laid off at least one person during the pandemic¹⁸.

Post Covid-19 recovery on Newfoundland and Labrador

The provincial government has established two task forces. The Task Force on Health Care is looking at reforming health care delivery in the province with a focus on social determinants of health¹⁹. Health care remains the largest government expenditure in the province.

More problematic, and lacking in transparency, is the Premier's Economic Recovery Team led by Dame Moya Greene²⁰. That task force has as its mandate review of fiscal capacity, government expenditures, service delivery, and growth opportunities. There is an expectation that the task force, whose final report is not binding, will recommend drastic cuts to rural services, especially ferry services to the remaining permanently settled small islands as well as cuts to public service. The task force final report was slated for release after the February 13 provincial election raising additional concerns about the government plans for post-COVID-19 recovery at a time of declining oil and gas revenues and a needed transition to a green economy. Less than three weeks before the election, none of the major political parties

¹⁵ <https://www.gov.nl.ca/budget/2020/wp-content/uploads/sites/3/2020/09/The-Economy-2020.pdf>

¹⁶ Source: Stats Can, Table 24-10-0041-02

¹⁷ <https://www.cbc.ca/news/canada/newfoundland-labrador/air-canada-three-flights-cut-1.5870725>

¹⁸ Source: Stats Can, Table 33-10-0279-01

¹⁹ <https://healthaccordnl.ca>

²⁰ <https://www.gov.nl.ca/releases/2020/exec/1022n02/>

in the province had released a detailed recovery plan or an election platform charting the course out of the province's current fiscally and economically unsustainable position. To make the situation worse, the February outbreak of the UK variant of the virus has necessitated a switch to remote voting via mail-in ballots and several extensions to the voting timelines which at this point may constitute a legal and constitutional quagmire. At the time of the writing of this paper (March 8), the election results are still not known and the election process is not finished. Coincidentally, the release of the Premier's Economic Recovery Team report has also been delayed.

On the bright side, a range of non-governmental organizations and institutions are developing strategies and programs exploring a post-oil future for the province and moving the discussion towards a net-zero economy and a more sustainable approach to regional economic and social development in the province (see the Resources section of this document). Prompted by the lack of transparency, election uncertainty, and obvious need to focus on the prosperity and economic recovery, a group of academics and citizens released a People's Recovery document as an answer to the Government's commission report outlining a range of financial and economic measures.

The pandemic also demonstrated that for many workers remote work is possible. This may be an opportunity for rural regions on the island to attract some urban residents from within the province as well as attract those who have left the island looking for employment on the mainland. While there is no reliable data yet, there is some anecdotal evidence that with the COVID-19 layoffs and larger exposure to infection in urban areas, some workers are moving back to the island and the rural regions. However, the numbers may not be significant or permanent. The lack of reliable broadband internet access in rural and remote regions continues to be a major impediment to such opportunities. There is a recognition that post-COVID-19 recovery is an opportunity to create a new direction for the economic development in the province. The

mining sector remains a strong and growing industry. Similarly, aquaculture and a nascent agriculture sector also hold considerable potential. Growth in a technology sector, especially ocean technology, continues to be a strong driver of innovation in the province. The Sustainable Development Goals are not used as a framework within the province, with the exception of university researchers engaged in development work in other jurisdictions. Much of the development language focuses on green economy, net-zero economy and various use of term "sustainable," even when referring to obviously non-renewable sectors such as oil and gas.

Despite the fiscally and economically difficult situation the province is in, exacerbated by the effects of the COVID-19 pandemic, it is important to acknowledge that provincial public health measures and good compliance with those measures have spared the province an enormous cost in lives that other parts of Canada and the world are experiencing.

Useful Sources

- NLife with COVID website: <https://www.gov.nl.ca/covid-19/>
- The summary of all federal benefits: <https://www.canada.ca/en/department-finance/economic-response-plan/completed-measures-respond-covid-19.html>.
- The Government of Canada Fall Economic Statement site available here: <https://www.budget.gc.ca/fes-eea/2020/home-accueil-en.html>.
- Newfoundland and Labrador budget highlights: <https://www.gov.nl.ca/budget/2020/budget-highlights/>.
- Newfoundland and Labrador Environmental Industries Association: <https://neia.org>
- Iron and Earth: <https://www.ironandearth.org>
- People's Recovery: <https://peoplesrecoverynl.ca>

Published COVID-19 Island Insights Papers

#1. Malta. November 2020

#2. Egadi Islands. November 2020

#3. Grenada. November 2020

#4. Trinidad and Tobago. November 2020

#5. Shetland Islands. November 2020

#6. Åland Islands. November 2020

#7. Guam. December 2020

#8. Okinawa Islands. December 2020

#9. Mauritius. February 2021

#10. Seychelles. February 2021

#11. Aotearoa New Zealand. February 2021

#12. Hawai'i. February 2021

#13. Barbados. March 2021

#14. Jamaica. March 2021



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