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Copies of this report may be obtained by contacting:

National Aboriginal Health Organization  
220 Laurier Avenue West, Suite 1200  
Ottawa, Ontario K1P 5Z9

Phone: (613) 237-9462  
Toll-free: 1-877-602-4445  
Fax: (613) 237-1810  
Email: [info@naho.ca](mailto:info@naho.ca)  
Website: [www.naho.ca](http://www.naho.ca)

Under Section 35 of the Canadian Constitution Act, 1982, the term Aboriginal Peoples refers to First Nations, Inuit and Métis people living in Canada. However, common use of the term is not always inclusive of all three distinct people and much of the available research only focuses on particular segments of the Aboriginal population. NAHO makes every effort to ensure the term is used appropriately.



# Resource Extraction and Aboriginal Communities in Northern Canada: Social Considerations

## INTRODUCTION

Relationships with the land, the harvest of traditional natural resources, and the resulting social relationships connect people in small and remote Aboriginal communities. Communities are concerned about the sudden influx of cash from high-paying jobs, the temporary in-migration of workers, and the fly-in and fly-out cycle of shift work associated with nearby mining, oil and gas projects. They are worried these changes and disruptions will contribute to family break-ups, increased substance abuse and additional burdens on community support services, and will lead to the loss of traditional cultural practices.

The modern resource extraction industry tends to bring a boom-and-bust cycle to northern Aboriginal communities. These projects can have both positive and negative social repercussions. The general perspective from industries is that these projects do not create new social problems but add to existing problems, and only for the duration of the project. The challenge is to plan for the social impact of these large-scale industrial projects, and to reduce any negative consequences that may come with them.

The effects of mining and pipeline development on northern communities are complex. Population increases, strains on existing social, health and recreational services, strains on a community's infrastructure, and the strain on traditional values and culture are common. These must be weighed against the prospects of an improved standard of living, new training, and the opportunities for new businesses and valuable work experience. This document will examine these issues in more detail.

## Education, Training and Employment

Pipeline construction and mining projects offer a wide range of work opportunities. Many are entry-level jobs like trades helpers and heavy equipment operators, or support services like catering and cleaning. Mine companies may even need tree planters after a mine has closed. Better-paying technical trades require post-secondary education and years of experience. Some positions require university degrees. Employment opportunities vary with the exploration, development, operational, and closing phases of a project. In the end, local community members can gain new skills and the work experience needed for better-paying jobs and careers.

Impact Benefit Agreements (IBAs) generally guarantee employment opportunities for Aboriginal workers. Usually a set number or a percentage of all work positions are reserved for local Aboriginal community members. The IBAs may also include training opportunities. The promise of jobs, however, does not always translate into long-term employment. For example, it is possible that more Aboriginal workers will be trained than there are jobs to fill. The training opportunities may be offered in more than one community, creating more trained workers than the project actually requires.

Another concern is the question of education and employment. Over 40 per cent of Northwest Territories adults are estimated to have low literacy skills. Though they may have completed Grade 12, their reading skills may not meet the standards for industrial employment. Some Inuvialuit communities have expressed concern that low literacy levels will limit employment opportunities.

Mining companies sometimes create special initiatives for employees. These include literacy programs, secondary school general equivalency degrees (GED), on-the-job training, community-based training, life-skills training, drug and alcohol awareness and rehabilitation, and management development programs.

Large projects like the Mackenzie Gas Project may lure skilled labour away from smaller communities. People may leave to seek better-paying jobs on these projects. It may be necessary to raise salaries for community administrators and for certain health- and social-related positions to keep the positions staffed. Another option is to recruit human resources from less affected communities to replace those who have left to work on the project. This option, however, simply burdens other communities with staff recruitment and retention problems.

## Housing

Many northern communities already suffer from sub-standard and overcrowded housing as well as a general lack of housing. Sewer and water services may be inadequate. The infrastructure is not in place to accommodate the construction of new homes or to accommodate an influx of people and businesses. Housing material is expensive and there may be a lack of skilled trades people, contractors, building inspectors, and other administrators.

An influx of workers can worsen existing housing shortages, inflate house prices and rents, and lower vacancy rates. These factors make it difficult to buy or rent a place to live for single parents, women leaving abusive relationships, and people who are unemployed or have low incomes. There are few homeless shelters, and as projects lure transient people into communities, the number of homeless is likely to increase. The Northwest Territories already has a homeless rate that is over four times the national rate.

### Construction Camps

During the construction phase of the Mackenzie Gas Project there will be as many as 27 work camps. Ten will have between 900 and 1,350 beds. The large ones will be located at Campbell Lake near Inuvik, Norman Wells, and Fort Good Hope. All other camps will be within 25 kilometres of a community. At its peak, the labour force may total 8,800 workers. Construction of gas production facilities will take place all year, whereas the pipeline will be buried during winter months. (GNWT Health and Social Services, 2005)

Increased incomes will result in more money to spend on improving the quality of houses and on new appliances and furnishings. This reflects an improved standard of living and quality of life. When local mines close, however, there are significant economic impacts, especially in single-industry towns. Employment rates drop and housing prices drop. People leave the community, and those who remain may be burdened with paying off mortgages on houses purchased at inflated prices, and paying high property taxes. Houses may end up with a lower market value. On the plus side, after the boom more homes will be on the market to rent and purchase, reducing the housing shortage.

## Family and Community Wellness

Shift work and fly-in, fly-out rotational work inevitably place a strain on families and communities. Workers are separated from their families for several days or weeks at a time, and community members may leave for better-paying jobs. An increased burden is placed on spouses (usually

women) when their partners leave the community to work. In extreme cases, workers may not return home between shifts, opting to spend their paycheques gambling or in bars in larger communities. The strain at home can lead to conflicts, family violence, the neglect of children, and family break-ups.

Male partners employed at a major project may be away from home for weeks or months at a time. Research has found that these work-related separations can contribute to marriage breakdowns and disrupt family life. A greater burden falls to women, as one person must manage all the household's food shopping and food preparation, harvesting of country food, laundry and housework, childcare, and household accounts. The added burden also takes time away from other activities, such as participation in community life.

Another potential impact on the quality of family and community life is the extent of volunteerism in the community. Generally, with more money in the community, volunteerism declines. People begin to expect payment to attend annual general meetings and to teach traditional skills. In a sense, the cost of social capital in the community increases.

The influx of outside workers can also change community dynamics. Many newcomers may not understand Aboriginal values and traditions. As well, they are not likely to speak the local language and this may contribute to a decline in the overall unity and cultural integrity of the community. Cultural awareness or cultural sensitivity training for newcomers has been suggested to reduce their influence.

Traditional knowledge plays an important role in the strength and unity of northern communities. It can be reinforced when it is incorporated into the environmental review process conducted in advance of a major resource-related project. Not only is the knowledge recorded, it can also be used to reduce the ecological impact of a project, to guide future management of natural resources on traditional lands, and to teach younger generations.

People often share harvested country foods, which strengthens community solidarity. With shift work and rotational work, there is less time to spend on traditional activities and traditional livelihoods. The project itself may alter the availability and quality of traditional foods, making it more difficult to access them. The result may be a decline in cultural well-being, at least during the lifespan of the resource extraction project. Loss of traditional ways and skills, and adoption of "white" values and ways are often cited as a negative social impact of development projects. Resource development projects are likely to require an investment in more social capital. For example, with more disposable income, alcohol and substance abuse problems are likely to increase until communities respond by establishing more health and social services. Alcohol and substance abuse fosters more family and community violence, which will require other support services and networks. Workers at family protection shelters verify this link. As well, the number of single mothers requiring support may increase during the lifespan of a resource development project.

### **Social Capital**

Until recently, the traditional kinship system among Inuvialuit and the band organization among many Dene was a northern community's primary form of social capital. Today, social capital can include volunteer or community groups, cultural activities, recreation facilities, literacy programs, daycare facilities, and shelters for women and children. All these contribute to a community's social wellness.

Research suggests that after a community has witnessed a year or two of increased income levels, the purchase and consumption of alcohol declines. This decline is associated with an increase in social stability and community wellness. Communities develop the social network and establish the health and social services to deal with the various forms of violence that stem from alcohol abuse. In essence, communities respond by strengthening their social capital.

### **Access to Social Services and Other Services**

Alcohol and substance abuse, gambling, sexually transmitted infections, domestic violence, crime, delinquency, and vandalism are all expected to increase during the lifespan of major resource extraction projects. These are not new problems, but their increase is likely to overburden existing social support services. Compounded with an influx of new residents and the potential loss of skilled social support workers leaving to seek employment on the projects, communities will not have the capacity to manage temporary spikes in social problems.

Many of the smaller northern communities lack adequate mental health or social support facilities. Large projects that attract workers into the region may lead to competition among those who need these critical government services. Generally, the services are located in the larger communities and regional centres. Both long-term and temporary residents will seek access to these facilities.

The influx of workers—almost all of them male—is expected to be short-lived. Once a mine has closed or the pipeline is completed, the demand on health and social services will return to normal. Large transient populations, however, place a demand on other services, such as recreational facilities and businesses. Communities may invest in new power lines, sewage and housing projects to meet the demands of the larger population. At the end of a project, however, it is the long-term residents who will end up shouldering the tax burden of paying for the improvements.

### **Health**

Evidence suggests that increased incomes lead to higher rates of alcoholism and drug abuse, and the sampling of harder drugs like crack cocaine. Youth are more likely to get involved in drugs at a younger age, perhaps in an effort to copy the “flashier” lifestyle of those with money. In some cases, it might be outside workers who introduce harder drugs into the community. Other health-related issues linked to resource extraction projects include a decline in the quality of foods, increased family violence, and higher rates of sexually transmitted infections (STIs) from the in-migration of labourers.

The Northwest Territories has a much higher STI rate than the rest of Canada. Gonorrhoea and genital Chlamydia are particularly widespread. Rates have tended to increase among those between 19 and 24 years of age. Infectious diseases pose a particular risk in the temporary camps, which are remote and crowded. These camps, however, will probably have staff to deal with STIs. During the construction phase of the Mackenzie Gas Pipeline project, for example, STI rates might increase in regional centres and communities along the pipeline route. These increases are expected to only marginally add to the current territorial rates.

A shift away from traditional foods towards southern market foods is often cited as the basis for the declining health status of Aboriginal Peoples in Canada. A diet of more processed foods high in sugar and salt increases the incidence of diabetes, obesity, heart disease, and other chronic diseases. Obesity rates among children and youth in Canada have nearly tripled in the last 25 years. Among First Nations children, the rates are two to three times higher. Shift work and rotational work may disrupt traditional harvesting practices and reduce community access to healthy country foods. Higher wages mean more northern residents will be able to afford expensive southern market foods. The long-term consequences are increased health problems.

Elevated health and social problems are expected to decline after a project comes to an end. There will be less of a need for health and social services than there was during pipeline construction or the operation and closing phases of a mine. However, it is likely that the increased capacity for health and social services will extend beyond the operation of these projects. This extension will provide a margin of safety to deal with any post-project adjustment problems.

## **Justice**

Development projects like mining bring both risks and opportunities. Better-paying jobs bring greater individual wealth, which in turn benefits local businesses. The gap between rich and poor and between employed and unemployed increases. As the cost of living rises, crime rates may follow suit. In the literature, the most often cited justice issues are family violence and violence against women. These, however, are not simply criminal matters, but social issues that require broader social service and support networks. For solutions to be effective, the social and cultural circumstances of domestic

### **Alberta's Oil Sands Project: A Case Study**

There are more than forty major oil sands projects either planned or under way in Alberta. Production, however, is concentrated in the northern regions of Alberta. Fort McMurray is at the heart. The community of 67,000 people is witnessing many of the negative consequences of Syncrude's huge oil extraction project. The population has doubled in ten years. High wages are driving high rent and real estate prices. As a result, up to 10,000 workers live in work camps around the site which is located 75 kilometres to the north. In the city, many low wage workers in the service industry cannot afford to pay rent and live in shelters instead. For such a small and remote community, Fort McMurray ranks as one of Canada's top five most expensive housing markets.

Recently released Census data from Statistics Canada indicates Alberta has seen 225,000 people move into the province from other provinces between 2001 and 2006. Fort McMurray is struggling to keep up with the influx. Waste water treatment and other community services cannot keep pace with community growth. There is a shortage of doctors and nurses. For the size of the community, crime rates are above provincial averages. The use of crack cocaine and crystal meth is a growing problem. Gambling in the casinos and escort services are widespread.

Ten percent of Syncrude's employees are Aboriginal. The company offers these employees fly-in services to their home community of Fort Chipewyan in hopes they will maintain their community roots. Many non-Aboriginal workers fly home after two week shifts. Some fly as far as Newfoundland.  
(Canadian Press, 2007).

violence must be considered.

## Conclusions

The influence of mining and pipeline development on the social dimensions of northern communities is far-reaching. Population increases, strains on existing social, health and recreational services, strains on a community's infrastructure, and the strain on traditional values and culture are common. These must be weighed against the prospects of an improved standard of living, new training, and the opportunities for new businesses and valuable work experience. Examples exist of what can go wrong, and these can guide the planning that is needed for future projects.

## Questions to Consider:

1. In your experience as a service provider/community leader, has the participation of community workers in development projects impacted the quality of the social fabric in your community?
2. What are the primary social concerns that need to be included in Impact Benefit Agreements? Employment and training? Training and support for alcohol, drugs and money management?
3. What resources are needed in your community and/or region to address and mitigate the potential harmful social impacts of resource extractive developments?
4. What tools or research would help you to improve your understanding of the potential social impacts of resource extractive developments?

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