



Discussion Paper – Kiggavik Draft Socioeconomic Impact Statement

Nunavummiut Makitagunarningit

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This discussion paper has been prepared to help inform Nunavummiut about the contents of the socioeconomic section of AREVA Resources Canada Inc.'s Draft Environmental Impact Statement (DEIS)¹ for their proposed Kiggavik uranium mine. This section of AREVA's DEIS is over 500 pages long, and none of it is translated into Inuktitut. It's not an easy document to read or make sense of. We hope this discussion paper will help Nunavummiut better understand the report, ask questions, and determine whether the conclusions AREVA comes to about the impact of the proposed mine make sense to them.

What is the purpose of the socioeconomic section of AREVA's Draft Environmental Impact Statement? What does it look like?

The purpose of the socioeconomic section of AREVA's report is to "describe the [Kiggavik] Project's expected residual socio-economic effects" (page 1-3) and then to describe how AREVA will manage and mitigate negative effects, and enhance positive effects.

About half of the report is a baseline study of the socioeconomic conditions in the Kivalliq region today, looking at things like age, gender, employment, health, income, crime rates, suicide rates, and so on. The baseline study is supposed to give us a sense of how people are doing in the Kivalliq region as a whole and in each of the communities, both so we can evaluate and understand impacts down the road, and so that AREVA can identify the kinds of impacts that the proposed Kiggavik mine might have on peoples' well-being.

The second part of the report, and this is the main part of the report, is a socioeconomic impact statement: where AREVA presents its assessment of all of the ways that the proposed Kiggavik mine might impact the social and economic well-being of Kivallirmiut through the phases of building the proposed mine, operating the proposed mine, and closing the proposed mine. This is also where AREVA is supposed to outline their strategies for monitoring the effects of the proposed mine on socioeconomic well-being over the course of the life of the proposed mine, and their management strategy for responding to any impacts as they arise.

¹ <http://makitanunavut.wordpress.com/arevas-draft-environmental-impact-statement/>

How did AREVA identify and measure the socioeconomic impacts of their Kiggavik proposal?

Although the document is very long, and there is discussion of the “approach” AREVA took to the study, it is not clear exactly how AREVA carried out the research they base their conclusions on, how they analyzed the range of comments and concerns Kivallirmiut have expressed about the proposed mine, and how this analysis relates to AREVA’s assessment of either positive or negative impacts.

The report states that there were over 90 “events” through which they gathered information from Kivallirmiut, such as focus groups, interviews, and meetings, but we are not given details about the various events (Who was interviewed? Who attended various events? When? Where?). AREVA claims to base their findings on the identification and assessment of 26 “valued socioeconomic components” and the collection of over 1,600 “statements”. But it is not clear what qualifies as a “statement” (a single sentence? A ten minute speech? An hour-long interview? How many statements can be attributed to a single person?) and we are not told precisely how the knowledge AREVA gained through these consultations and research was analyzed. As a result, we do not know how, exactly, the things that Kivallirmiut said to AREVA about what they care about, worry about, and wish for in relation to the proposed mine were analyzed in the development of the report.

There is no analysis of the specific concerns expressed by elders, women, youth, Meadowbank workers, and other groups.

Quotes appear throughout the report but it’s not clear whether they are direct quotes – they don’t have quotation marks, and many appear to be summaries of comments. While it is common to quote people anonymously in reports, Nunavummiut deserve to know basic details about a “statement” so that they can evaluate it and make sense of its importance, including whether it was said by a man or a woman, roughly how old they are, what community they are from, the circumstances of their comment, whether it was shared in Inuktitut and translated into English, what they said before and after, etc. Some quotes are identical to statements made by Nunavummiut at a 2007 Nunavut Planning Commission workshop in Baker Lake, but AREVA does not reference this report².

As a result, readers have no way of knowing whether the quotes AREVA uses to support its conclusions are representative of how Kivallirmiut feel about the Kiggavik proposal, or how AREVA made sense of the range of comments and opinions people might have shared with them through the process.

For example, in a text box titled “Meadowbank Effects on Baker Lake,” there is a series of statements that seem like quotes. All the “quotes” mention positive impacts of the Meadowbank mine: some mention that people feel happier and less stressed when they have less bills, that they’re learning a lot on the job, that it’s great to see more people working, and so on. The text box is introduced with the statement that “comments from interviews and focus group discussions about the effects of Meadowbank on Baker Lake were virtually all positive” (page 8-13). But elsewhere in the report, AREVA notes that people have mentioned concerns about racism at the mine, language issues, issues of jealousy between spouses, reports of sexual assault, rape and prostitution, issues around alcohol and drugs, challenges with rotational work, feeling like the work available is degrading, and so on. We find this confusing and contradictory. If people have both positive and negative things to say about their experiences with Meadowbank, why does AREVA suggest that comments are “virtually all positive”?

Without a transparent and rigorous methodology, it’s impossible to evaluate the credibility of the report.

² See the report here: http://www.nunavut.ca/files/IPG%20Uranium%20Mining%20Workshop%20Report_Eng.pdf

What does the report identify as the main socioeconomic impacts, both positive and negative, of the Kiggavik proposal?

Kivallirmiut identified a range of concerns through the various meetings and events AREVA hosted in preparing this report. They identified concerns like impacts on caribou, impacts on crime, impacts on drug and alcohol use, impacts on income, and so on.

Rather than look at each of these areas individually and assess the impact of the proposed Kiggavik mine on each, the report considers six main themes or components of socioeconomic impact that group together different kinds of concerns. It's not clear how AREVA decided on these six themes, or whether they checked with Kivallirmiut to make sure these six are representative of the scope of concerns people have about potential socioeconomic impacts.

The six themes are: 1) community economies; ii) traditional culture; iii) community wellbeing; iv) public infrastructure and services; v) non-traditional land use and land use planning; and vi) the economy of Nunavut.

AREVA argues that there will be overall positive and significant impacts on three of the six themes: community economies, community well-being, and the economy of Nunavut. As we suggest below, there are reasons to question whether the impacts in each of these areas will be entirely positive.

The report suggests an additional two themes (public infrastructure and services, and non-traditional land use and land use planning) will also have positive impacts if the government of Nunavut engages in appropriate planning, increases service delivery, etc. For example, AREVA acknowledges that Kiggavik proposal would put increased strain on already-strained public infrastructure and services, and will very likely lead to increased "non-traditional land-use" (in other words, it will lead to more mining in the region). Both of these impacts require planning, resources, and management by the government in order to avoid negative overall impact. But if AREVA's assessment of overall "positive impacts" on public infrastructure and services is based on the GN providing more housing, social services, health services, and educational services than they currently provide, how much will this cost? How realistic is this assessment? Similarly, given the challenges in developing a territorial land use plan – AREVA identifies land use planning as a key factor in making sure that increased mining has a positive impact on Kivallirmiut – how realistic is it to suggest that the impacts of the proposed Kiggavik mine on land use will be positive? The report notes that the proposed mine would likely have a negative effect on outfitting and guiding, as well as other forms of tourism. What will the loss of outfitting, guiding, and other forms of tourism mean for Kivallirmiut?

Finally, the report identifies an overall negative and significant impact on traditional culture, and suggests that the proposed Kiggavik mine will contribute to a "cultural shift" in the region. AREVA states that it anticipates that changes to traditional skills, language, values, and knowledge are "expected to [be] one of reduced practice rather than loss" (page v) but does not provide evidence or a rationale for this determination.

In sum, although AREVA mentions a range of negative impacts in its discussion of every one of the six themes, it determines that the proposed Kiggavik mine will have an overall positive impact on all aspects of socioeconomic well-being except for traditional culture. In general, it is very unclear how AREVA came to its conclusions about impacts, both positive and negative.

How can the report identify a significant and negative impact on traditional culture, but still determine that there will be an overall significant and positive impact on individual, family, and community well-being, when hunting, language, and traditional values are so important to Inuit? How did AREVA come to these conclusions?

We can't explain how AREVA came to its conclusions about the significance of various impacts, since it's not made clear in the report.

AREVA acknowledges that the proposed Kiggavik mine would very likely lead to reduced use of Inuktitut, negatively impact on traditional values like sharing and mutual support, reduce traditional activities like hunting, and so on. They also acknowledge that this would have an impact on food security. But because of the way in which the report is structured, the negative impact on traditional culture doesn't factor into assessments of individual, family, and community well-being. This might surprise some Kivallirmiut, who think of their relationship with the land, with their language, and with each other as central to their well-being. AREVA acknowledges that traditional culture is very important to peoples' well-being, but AREVA does not factor negative impacts on traditional culture into their conclusion that "effects on individual, family and community wellbeing are overall expected to be positive and significant." (page ix)

Instead, the well-being section assesses only health, family function, savings, public security, public health and safety, and social cohesion and participation.

When assessing things like health, family function, and other components of the well-being section, the report acknowledges a range of potential negative impacts: the strain that rotational work places on family function, increased rates of sexually-transmitted infections (STIs), decreased social cohesion, increased rates of suicide, increased rates of divorce and family violence, and so on. They note that the Kiggavik proposal is "expected to have a significant negative effect on public security, particularly in Baker Lake and Rankin Inlet" (page 10-20), which includes effects like higher rates of crime, drug trafficking, substance abuse, and domestic violence. Some of this impact on public security is attributed to the expectation that there will be higher rates of in-migration (especially in Baker Lake and Rankin Inlet) and higher rates of inequality within communities.

The Kivalliq Socio-Economic Monitoring Committee – "made up of industry, government and community representatives [with] a mandate to monitor and report on industry's performance in hiring local labour, supporting local business, and otherwise contributing to the growth and development of Kivalliq society"³ – has already found, in fact, that:

... a division in our society is emerging. One group of children are graduating from school, enrolling in training programs and finding employment. The second group is dropping out and as a result have very few productive opportunities. This latter group is too large to ignore. And it is most disconcerting that we don't have a clear understanding of why our children are making these choices."⁴

The Kivalliq Socio-Economic Monitoring Committee concluded that this emerging division in our society "poses a threat to the Kivalliq region's participation in the resource sector and our long-term socio-economic growth."⁵

³ Kivalliq Socio-Economic Monitoring Committee 2011 Annual Report, p. 3.

⁴ Kivalliq Socio-Economic Monitoring Committee 2010 Annual Report, p. 1. The KSMC noted that "the current effort to collect socio-economic data through government surveys in the Kivalliq communities is probably not adequate for a thorough understanding of the social changes taking place." (p. 15)

⁵ Ibid, p. 1.

With all these potential negative impacts, how does AREVA determine that the well-being of Kivallirmiut will be so positively impacted by the Kiggavik proposal? On what basis do the positives so significantly outweigh the negatives? AREVA seems to suggest that the benefits of work and wages outweigh all these negative impacts, but they do not explain how they came to this conclusion.

In some places, it seems that AREVA doesn't understand Inuit culture and values. The report encourages the "commercialization of country food" (page 9-8) as a solution to a decline in hunting and a decline in sharing. AREVA claims that people who are no longer able to hunt will be able to buy country food from the remaining hunters. But not only does setting up a commercial market for country food contradict the concerns Kivallirmiut have expressed about how important hunting and sharing meat is for individual, family, and community well-being, it also overlooks the fact that many people hunt specifically because it is too expensive to buy food.

We also found it confusing that the report acknowledges how much Inuit value collective well-being, and acknowledges that Inuit really understand how the pressures and struggles of one person can affect their family and community. But throughout the report, it seems like many problems that we might think of as shared, collective concerns – things like alcohol use, violence, the ability to go hunting, the value placed on sharing, etc – are treated as matters of "poor personal choice". So, for example, in the baseline study AREVA suggests that "substance abuse, gambling and inappropriate sexual activity" are a result of "poor personal choices", and that "in turn, these choices can be associated with poor parenting, domestic violence, family breakdown, crime and suicide." AREVA acknowledges that all of these things not only affect individuals, but also families and "potentially community wellbeing," and they acknowledge that a lack of mental health services, housing, and other social services makes it very difficult for Kivallirmiut to address these issues. Why, then, does AREVA determine that all of these impacts are a result of poor individual decisions and poor choices? What other "choices" will be available to Kivallirmiut if the proposed Kiggavik mine is built? How does AREVA understand the connections between personal and collective well-being? If a number of individuals struggle with things like violence, alcohol use, and gambling, how will this impact family and community well-being overall? These are hard questions to answer, but given how important they are for the overall well-being of Kivallirmiut, we would have liked to know much more about how AREVA assessed these concerns, and how they plan to monitor and respond to them if the proposed mine is built.

How does AREVA plan to manage the negative socioeconomic impacts of the proposed mine?

The plan for monitoring and managing negative social and economic impacts isn't fully fleshed out. Although AREVA mentions a range of possible negative impacts, it describes most negative impacts as part of a larger process of "change" underway in Nunavut, and not the responsibility of AREVA.

Many of the negative impacts will likely result in significant extra costs to the Government of Nunavut: there will be increased pressure on housing, education, and health infrastructure, increased policing and justice costs, increased costs for monitoring the environmental and socioeconomic effects of the proposed mine, increased pressure on social services, and so on. The report doesn't quantify these costs in its assessment of the impact of the six themes. Instead, AREVA indicates in the report that Kiggavik proposal will positively impact territorial revenue based on expected revenue from corporate taxes. They don't appear to have factored in all the extra costs that come with building more houses, providing social, educational, and health services to more people, monitoring the proposed mine, engaging in regional planning processes to manage more uranium mining development, and so on.

Notably, when Meadowbank was approved by NIRB in 2006, the approval was based on the expectation that there would be regular and extensive monitoring of the socioeconomic effects of the proposed mine, much of which was expected to be carried out and coordinated by the Government of Nunavut. But almost six years later, AREVA claims there is almost no data available to evaluate the socioeconomic impacts of Meadowbank. How much confidence can Nunavummiut have in AREVA's monitoring and management plan for the proposed Kiggavik mine, given the problems with monitoring and managing the impacts of Meadowbank?

What does the report say about possible future uranium mines?

The report anticipates more uranium mines will open after Kiggavik (if it does), and AREVA claims that they are working with the assumption that Kivallirmiut want more uranium mines: "On the assumption that more uranium mining is a desired outcome by the people of Kivalliq, the effect of the Project is positive, and significant, primarily in Kivalliq but potentially also elsewhere in Nunavut" (page 12-7)

What will happen when Kiggavik closes?

The report is very speculative about mine closure. AREVA claims that it's hard to make a firm plan for something that is likely several decades away, and that the socioeconomic landscape will have changed by that time. But, if there is one thing we know from studies of mine closure in remote communities in Canada, it's that there are almost always significant negative social and economic impacts, and AREVA mentions some of these in its discussion of Nanisivik and the Rankin Mine. AREVA also acknowledges the "possibility for premature closure (temporary or permanent), which would occur if for any reason the Project became uneconomic and was expected to remain so over an extended period." (page 6-20) The effects of premature closure are usually more severe.

Do Kivallirmiut know enough about what will happen when the proposed Kiggavik mine closes? Do they desire more uranium development in the region, as AREVA assumes?

It's rare for a mining company to be able to learn from the experiences of another mining company operating in the same community, when they set out to understand how a second mine might impact peoples' well-being. What did AREVA learn from Meadowbank?

We were surprised and disappointed about how little AREVA seems to have drawn on the range of knowledge and experience people have with Meadowbank. It's especially surprising given that many of the same consultants who developed the socioeconomic materials for Meadowbank also developed AREVA's socioeconomic report. But the two baseline studies are not specifically compared with each other.

We were also very surprised that Meadowbank is not included in the section on "comparable experiences" (where AREVA compares the Kiggavik proposal with other mines to try to predict Kiggavik's effects on Kivallirmiut). Instead, AREVA claims that one of their mines in Saskatchewan is a better comparable.

Some worrying socioeconomic trends that appear to have emerged since Meadowbank – like increasing crime rates – don't get much attention in the report. We were really surprised by this. The report suggests that Meadowbank has "not operated for long enough to permit any conclusive analysis of socioeconomic effects beyond uptake of employment, business and training opportunities" (page 8-3).

But the Kivalliq Socio-Economic Monitoring Committee's 2011 Annual Report reports the RCMP's presentation to the group:

The overall message from the RCMP was that the rate of crime is increasing ... There was no specific research associated with the data presented, so it cannot be said that the rise is related specifically to resource development in the region. However, resource development is a part of the Kivalliq human environment and the extent of its role in the rising crime would be an important subject for any future research. With that said, the data do show a rise in crime and hence an increased demand for police services.⁶

and

The RCMP spoke of increases in suicide, violence, sexual assault, gambling, and alcohol and drug usage. Some of these crimes can be traced back to living situations whereby a single-family dwelling is housing as many as 18 or 19 people. The RCMP suggested that alcohol plays a part in most if not every prisoner in Nunavut's correction services. They also spoke of the need for conflict resolution skills in the communities and a shortage of social workers, mental health services, and police.⁷

Why, then, wasn't there more direct analysis of Meadowbank in the report?

In some places, by not taking these studies and findings into account, AREVA overestimates some of the benefits of the proposed Kiggavik development. For example, we know from Agnico-Eagle's public statements and presentations over the last year that it's been really hard for them to recruit and retain Inuit employees. In April 2012, Denis Gourde, Agnico-Eagle's Nunavut general manager, told delegates at the Nunavut Mining Symposium that Meadowbank has an 80% turnover rate. Of 276 Inuit workers hired in 2011, 229 quit⁸. Not everyone wants to work at a mine site, it would seem.

In AREVA's assessment of the jobs available at the Kiggavik proposal, they seem to have forecast a 100% uptake of all available jobs, full time, all year round, with no turnover rate. Based on this assumption, they claim that the proposed Kiggavik mine will bring \$9 million/yr in wages to Kivalliq residents during construction (150 jobs x \$60,000/yr) and \$19 million during operations (page 8-20). But as the Kivalliq Socioeconomic Monitoring Committee's 2011 Annual Report reports, Agnico-Eagle:

... is being challenged by a lack of local tradespeople and professionals available for employment at the mine. Southern workers are filling some of the higher paying jobs at the Meadowbank Gold Mine because the skills are not available amongst the local labour force. There are no millwrights, electricians, engineers, geologists, etc., available within the Nunavummiut population that the Company can hire.⁹

and

Inuit labour make up approximately 5 per cent of this workforce when measured by total hours worked, with the remaining 95 per cent filled by southern workers who are willing to travel to Nunavut for employment. The exact same thing is occurring at the Meliadine site.¹⁰

⁶ Kivalliq Socio-Economic Monitoring Committee 2011 Annual Report, p. 13.

⁷ Kivalliq Socio-Economic Monitoring Committee 2011 Annual Report, p. 20.

⁸ The presentation was described in the *Nunatsiaq News*, see

http://www.nunatsiaqonline.ca/stories/article/65674meadowbank_a_reality_check_for_nunavut_mining_aem_executive/

⁹ Kivalliq Socio-Economic Monitoring Committee 2011 Annual Report, p. 10.

¹⁰ Ibid.

If Meadowbank can't fill these jobs, how will AREVA fill them? AREVA's estimates appear to be unrealistic and misleading.

What kind of jobs would be available to Nunavummiut?

The report acknowledges that most Nunavummiut who work at the proposed mine would work in catering, security, and cleaning. AREVA notes that "only a few jobs at the mine will require less than a completed high school education. There are therefore real barriers, and different ones for different people, to employment with the Project for some people in Kivalliq" (page 6-6). AREVA also acknowledges that they could have a really hard time filling positions with Nunavummiut, and that they might be "forced to go south, [and] benefits that notionally could have been retained by Inuit will not be." (page x)

Jobs are supposed to be the main socioeconomic benefit of the proposed Kiggavik mine, but there are reasons to doubt the quality of available jobs, the balance of positive and negative effects that come from working at the proposed mine, and the actual number of available and trained workers. If we can't even be certain about the positive impacts of jobs, does AREVA's assessment that the socioeconomic impacts of their Kiggavik proposal will be "positive overall" make sense to Nunavummiut?