



## **Socio Economic Impacts**

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# Five Factors for Project Decisions

- Safety – Yes or No, includes preferences
- Technical Feasibility – Can the option be technically done today, is it new technology, is it suitable for the Arctic
- Community – Consideration of stakeholder's ideas, opinions, and concerns
- Environment – Effects, trade-offs, usage
- Cost - Value

# Community Consultation - Objectives

- Objectives of a consultation program include:
  - Provide timely information about a project
  - Identify key issues and concerns early and work together to address
  - Provide a meaningful opportunity for communities to provide input to project planning and design
  - Identify opportunities for communities to benefit from the project
  - Strengthen relationships by building mutual understanding, respect and trust

# Community Consultation – Approach

- Best accomplished collaboratively among industry, government and the community
- Our experience suggests that most successful consultation efforts are approached with an open mind and in an atmosphere conducive to open and honest communication so a better understanding can be obtained
- The collaborative approach taken in consultation should extend through the life of the project

# Overview

- Challenges that a project, governments and communities may face include:
  - Existing socio economic problems
  - Lack of institutional capacity and public infrastructure
- Potential issues during project construction may include:
  - How to prevent project impacts from increasing the severity of existing conditions
  - How to reduce project induced negative impacts
  - How to increase opportunities for socio economic development

# Overview (con't)

- Factors affecting change in socio economic conditions and in demands for services are complex and may include:
  - Past and current conditions and trends
  - Economic opportunities or their absence
  - Governance capacity and resources to manage change
  - Individual choices and family and community support systems
  - External influences, such as an influx of workers, globalization, media, education and language
  - Resilience

# Socio Economic Impacts

- Do not know the specific socio economic impacts of an Alaska Gas Pipeline on the Yukon
  - Industry does not know the communities very well
  - Difficult to determine impact without knowing what the project is
- Potential socio economic impacts will be one of the areas investigated through meaningful community consultation
  - Formal consultation starts when a project has been announced and continues throughout its life

# Potential Concerns

- Experience in the north suggests that the following may be of concern:
  - Effects on traditional resource use and culture
  - Effects on other land and resource use
  - Effects on human health
  - Effects on heritage resources
  - Other socio economic effects

# Potential Concerns – Traditional Use/Culture

- Potential concerns around traditional resource use and culture may include:
  - Disruption of traditional hunting, fishing and trapping
  - Loss of harvesting and traditional production (clothing, tools, etc) knowledge and skills
  - Acquisition and use of traditional knowledge
  - Will a project add to the existing influences that reduce the use of indigenous language and impact family relationships?

# Potential Concerns – Other Land and Resource Use

- Potential concerns around other land and resource use may include:
  - Changes in land use and availability for recreational or commercial hunting and fishing as a result of improved access
  - Effects on ecotourism
  - Changes in availability of renewable resources

# Potential Concerns – Human Health

- Potential concerns around human health may include:
  - Effects on public health conditions and services
  - Potential for increased substance abuse
  - Effects of emissions on human health

# Potential Concerns – Heritage Resources

- Potential concerns around heritage resources may include:
  - Destruction or disturbance of heritage and archaeological sites and artifacts
  - Disturbance of culturally sensitive areas

# Potential Concerns – Other Socio Economic Impacts

- Potential concerns around other socio economic impacts may include:
  - What level of northern employment and business opportunities will be created?
  - Movement of workers from other employment to seek work on the project
  - The need to build capacity at local and regional level
  - Overburdening of infrastructure and local services
  - Will the creation of new infrastructure increase impacts?
  - Contact between project workers and local residents
  - Potential for individuals to invest prematurely

# Addressing Potential Impacts

- Approach to addressing potential impacts depends on specific situation and may include:
  - Change to project design
  - Support for existing community based programs
  - Development of new programs or policies
  - Agreements for resource use, education, training etc

# Examples From Other Projects

# Fort Liard Exploration and Production (1994 – 2004)

- Situation:
  - Exploration greatly increased local economic activity
  - Employment income increased by 29% between 1995 and 2000 (Comparison: 3% increase in Deh Cho Region (DCR))
  - Relatively high employment income has continued in Fort Liard
- Observations:
  - Total crimes increased from 1995 to 2000, then tended to level off (Comparison: NWT and DCR crime rates increased from 1995 to 2004)
  - Sexually transmitted infection rates during 2003-2005 were 68% lower than those during 1994-1996 in Fort Liard (Comparison: increase of 37% in DCR, 64% in NWT)

# Tlicho Communities and Diamond Mines (1994 – 2004)

- Situation:
  - Tlicho communities remained traditional communities - 92% of residents could speak their Tlicho language in 1999
  - Family incomes increased 39% between 1994 and 2003
- Observations:
  - Investments were made to improve hunting equipment and housing quality
  - Interest in education and training increased
  - Many workers reported positive effects for their children, few reported adverse effects on their spouses
  - 2004 family assistance rates fell to 46% of 1995 rates
  - Compared to other NWT Aboriginal communities, in Tlicho:
    - injury-death and sexually transmitted infection rates fell
    - harvesting and consuming harvested foods increased
    - crime rates increased less rapidly
  - education attainment increased more rapidly

# Kugluktuk (aka Coppermine) Workers Gulf Canada (1972 – 1977)

- Situation:
  - Employment and earnings doubled
  - Community members were employed in Gulf Canada's Mackenzie Delta exploration activities
- Observations:
  - Liquor imports increased in first two years, then fell to below pre-employment levels
  - Alcohol-related accidents and injuries increased in first two years, then fell to below pre-employment levels
  - Improved harvesting equipment, no negative effects on harvesting
  - Bank depositors increased from 1 to 18
- Fort Smith vocational enrolments increased from 1 to 7
- School children wanted to be Gulf Canada employees

# Tuktoyaktuk Oil and Gas Camps (1972 – 1983)

- Situation:
  - Tuktoyaktuk, population of 800 - three large camps with 600 workers
  - Health and Social Services (HSS) unprepared and understaffed
  - Industry employment tripled and wages increased by 10 times
- Observations:
  - Alcohol offence increases were lower than rest of Beaufort Delta Region
  - Accident, poisoning and violence rates were lower than Fort McPherson and Fort Good Hope
  - Employment did not cause fur harvesting to decline
  - Hamlet Council faced great workload challenges and performed very well

# Shared Involvement

## Government / Project Cooperation

- Regulatory requirements
- Agreements
- Project commitments

Project

Aboriginal,  
Federal and  
Territorial  
Governments

Outcomes  
and Effects

## Government / Community Cooperation

- Infrastructure
- Public institutions
- Community programs
- Individual's choices

Affected  
People and  
Communities

## Project / Community Cooperation

- Consultation
- Project commitments
- Community programs
- Individual's choices

# Summary

- If a project proceeds, managing existing socio economic conditions and potential project impacts:
  - Presents complex challenges
  - Requires cooperation among industry, governments and communities
- Five factors for decisions
  - Safety
  - Technical Feasibility
  - Community
  - Environment
  - Cost
- Community, government and industry consultation and input will be used to identify and address potential impacts