

NO ROCK UNTURNED

Understanding the Economies of Mining Dependent Communities



Serge Ashini Goupil



Jamie Kneen



David MacKinnon



MiningWatch Canada
Mines Alertes

This pamphlet is based on an executive summary of the publication “No Rock Unturned: Understanding the Economies of Mining Dependent Communities”, by Joan Kuyek and Catherine Coumans (August, 2003). For the full report and more information, please visit our website at www.miningwatch.ca. For telephone enquiries, please call (613) 569-3439. Our full mailing address is 508-800 Wellington Street, Ottawa, Ontario, Canada K1R 6K7.

“Shaping macro policy is a job for all Canadians, and is linked to other strategies for the environment, social justice, and economic security in Canada.”

REPORT SUMMARY

“No Rock Unturned: Understanding the Economies of Mining Dependent Communities”, produced by MiningWatch Canada, examines the issues facing communities that are dependent on mining, and recognizes that they may be able to revitalize their economies in the face of industry down-sizing and closure. The literature included in this review makes clear that mining no longer provides a sustainable base for the development of local economies. The government investments that are required to open new mines and keep mines operating would be better spent on remediation and closure, on sustainable community economic development for remote communities, and on caring for the health concerns of affected residents. Mining must be made to better serve the development needs for an entire region, through effective land use planning and decent resource rents.

The context

There were 23,944 metal mining jobs in Canada in 2002¹, down from a 40-year high in 1974 of 70,000². Towns with operating mines have seen their populations age and dwindle³. In remote communities, other resource-based economic activities such as farming, fishing and logging are often neglected and damaged by the pollution from the mine and smelters. Communities become dependent on power grids, chain stores and imported goods and services to supply their needs. Mining is dangerous and destructive work, which carries with it a high incidence of industrial disease and accidents — cancers, white hand, silicosis, injuries — which have not been dealt with by industry or government. Many mine workers are unwell or disabled.

Mining has a big footprint: acid mine, drainage, toxic effluents, air pollution, occupational hazards, enormous consumption of energy and water, roads and rail transportation hazards, community disruption and public tax costs. Local communities — especially Aboriginal peoples — bear the brunt of these costs, and are often ill equipped to protect their interests. In Canada alone, mining produces 1 million tonnes of waste rock and 950,000 tonnes of tailings per day, most of which is toxic. In addition to active mineral operations, there are also over 10, 000 abandoned mines throughout the nation, draining into watercourses and destroying fragile ecosystems.

At closure the mine/mill infrastructure and the other over-sized buildings become a liability instead of an asset in the face of lost revenues from taxes. As the population dwindles, chain stores close.

The social environment often gets worse with closure: violence, increased drug and alcohol use, depressed expectations, power struggles, more extreme social hierarchy, and paralysis of normal ways of making decision are common.

When a mine closes or down-sizes, different populations respond in unique ways. Many miners and mining specialists can find work elsewhere and leave town. The young people — looking for opportunities and education — leave. Those workers who mix their employment at the mine with marginal farming, hunting, fishing, trapping, and other activities, and have many other skills



Serge Ashini Goupil



Serge Ashini Goupil



John VanRaalte

developed through these “hobbies” are more likely to stay. Older workers (near retirement age) usually remain after closure because they are attached to the community, unable to sell their houses, and have a settlement package of some sort. Family employment after closure shifts to the women, and to lower wages⁴.

Aboriginal residents, being more attached to a land base, respond differently than the settler community. Since some mining towns grew in the midst of Aboriginal communities, for some communities, as the miners leave, becoming an Aboriginal regional service centre is an option. Lynn Lake is looking at becoming an urban reserve. Uranium City saw its entire white population relocate, while some of the Aboriginal community stayed. At Schefferville, the Naskapi and Innu are negotiating to take over the town site.

The availability of cheap housing has often resulted in a number of communities having an inflow of retirees and younger people.

Long Distance Commuting

Mining companies operating in remote areas of Canada do not build company towns any more for economic, business and regulatory reasons. There are basically two kinds of long distance commuting: *Fly-in/fly-out*: where workers are flown into the mine and stay in semi-permanent camps, and situations such as those in northern Ontario, where workers *commute by car* to nearby mines every few days. If the mine is near or in a populated area or First Nation, or is a staging area for mine workers, then these existing communities and the region will become de facto a “mining town”. However, the impacts are rarely recognized by industry or government, and no municipal taxes come from the company to compensate for the additional services that are required.

Economic Alternatives

There is an enormous range of solutions that have been proposed to deal with the decline of mining dependent communities.

The most dramatic approach is being adopted by Russia: “Up to 600,000 Russians are to be moved from remote parts of Siberia and the Arctic... The move will be one of the biggest population relocations since the Stalin era. Large swaths of Russia’s northern regions, which include mining towns, have decayed since the collapse of communism... The subsidised industries have been sold to the private sector, which is “downsizing and restructuring, leading to job cuts”.⁵

Upsetting as the relocation approach may be, it warrants consideration when most mining towns are indeed settler communities and seriously polluted. Uranium City⁶ and Schefferville provide Canadian examples⁷. The industrial adjustment packages from the federal government — now only occasionally employed — were designed to assist workers with relocation. The Communications, Energy and Paperworkers Union (CEP) and other trade unions have been doing work on ‘Just Transitions’ for about two decades.⁸ The “bottom line” for the CEP is that transitions must be fuelled “from below”.

Economic Diversification Strategies: Business Ideas

A variety of business ideas that have been pursued by mining communities to generate cash income are set out below.



Jamie Kneen



Jamie Kneen

Keeping the mining sector going. By far the most successful strategy of mining communities in the short term is finding ways and means to keep the mining sector going:

- ◆ Additional subsidies allow marginal or uneconomic mines to keep operating (the Faro mine received over \$1 billion in subsidies during its 30 year life)⁹;
- ◆ Finding a new ore body; and/or
- ◆ Re-mining tailings and waste rock etc. New exploration techniques, deep mining technologies and increased geological surveys make this possible. Unlike new mine development, re-mining has the potential to improve the environment of the old mine, and to add value to the work that has already been done, providing it is subjected to rigorous environmental review.
- ◆ The development of the mining supply and services sector. This strategy is possible in larger urban mining centres like Sudbury.



Jamie Kneen

A major downside to this strategy is the cumulative impacts of more and more short-lived mines and tailings facilities with growing environmental effects on the land, water, and air in the region.



Jamie Kneen

Housing and real estate. Faced with empty and devalued housing, a number of towns, like Elliot Lake and Logan Lake turned into retirement communities. There have been some problems with this strategy. As the retirees age and become infirm, they require nursing care on a scale that is not available in remote communities. However, the retirees, younger families and singles that move in — often artists and counter-culture individuals seeking inexpensive housing in rural settings, can also bring new energy, education and innovation to the community.

Tourism — of both the eco and ghost town varieties — appears to be the most commonly tried option. In Kimberley, B.C., land that Teck Cominco has held over the decades of the mine's life has been turned over to the city to enable it to develop recreational facilities, including a ski hill, a golf course, a mining museum, and a 1000-unit residential community. In other communities, there may be problems with the cultural shift required to service tourism, and not all communities are located in a setting or on a transportation corridor that makes this viable.

The Knowledge Economy and Information Technology (Internet)

businesses are highly competitive businesses that have often been touted for mining communities. Polese and Shermur report that although central rural areas (those within an hour's drive of an urban centre) can attract IT business, peripheral ones do not.¹⁰

Other resource economy projects: forestry, water, agriculture. Where the resources exist, expansion into other resource-based industries presents an attractive option for mining towns. Revelstoke has developed a community forestry project. The Temagami Stewardship Council seeks to expand forestry income in the area. The North Shore Tribal Council is entering into a small scale hydro-project near Elliot Lake. One of the projects investigated by Uranium City before it closed was a pig farm; Sudbury almost had an angora goat project; Kitimat is now selling hydro instead of processing aluminium. Some mines in Manitoba were growing hydroponic vegetables and/or marijuana in the shafts, until it was realized that the plants took up

toxic heavy metals. The degree of environmental degradation left behind by mining, especially of water resources, will have an impact on the ultimate viability of any future resource-based economic efforts.

Hazardous waste disposal has been touted as an option for some mining communities. The proposal to use the Adams Mine in Kirkland Lake and British Columbia's Britannia Mine for hazardous wastes are short-sighted plans that have required communities already exhausted by closure to mobilize and fight.

Government decentralization or relocation of services such as education, health, regional services, penitentiaries can stabilize a community. New Dawn Enterprises in Cape Breton has shown what can be accomplished by the community take-over of service sector activities such as nursing homes.

Others: *The Elliot Lake Field Research Centre* employs a few people with GIS capability working on mine reclamation. *Thompson, Manitoba* is doing cold testing of cars. *Sudbury* has developed a neutrino observatory. *Atikokan* has the Quetico Centre training facility and has stocked the open pit with fish. *Tumbler Ridge* has just found dinosaur footprints.



Jamie Kneen

“Increasingly, international organizations such as the OECD, national policy makers and the public are engaging in an urgent debate about the need to promote more sustainable forms of production and consumption. This debate encompasses questions about the economic value of the environment and the highest and best use of land and water. It addresses questions about social sustainability, how economic activity impacts on individual and community health and well-being. And this debate informs policy discussions about improving resource conservation, removing perverse subsidies that promote unsustainable economic practices, the role of subsidies in international trade, environmental tax shifting, and rethinking distorting methods of calculating national wealth that largely dismiss resource wealth and ecological goods and services.”

MiningWatch Canada, 2002

Who are we?

MiningWatch Canada is a coalition of seventeen Canadian organizations including environmental, social justice, Aboriginal and labour organisations, with a mandate to research and advocate for responsible mining policy and practices in Canada and by Canadian companies operating internationally. More specifically, it addresses the urgent need for a co-ordinated public interest response to the threats to public health, water and air quality, fish and wildlife habitat and community interests posed by irresponsible mineral policies and practices in Canada and around the world.

We and our member organizations receive many requests for help from communities with real problems, covering a range of mining and development issues. When we are asked for help, we try to provide legitimate academically founded information and analysis for communities to help them make decisions; we provide technical assistance.

For more information, please visit our website at www.miningwatch.ca

Endnotes

¹ Mining Association of Canada, *Facts and Figures 2002*, Table 15. The mining industry usually includes quarrying, coal mining and non-metal mines when they talk about employment in mining, which doubles the figure. If smelters and refineries are added to the figure, the number is increased by 20,811.

² Jen, Lo-Sun. 2000. *Canadian Mine Openings, Closings, Expansions, Extensions and New Mine Developments in 2000*. <http://www.nrcan.gc.ca/mms/cmg/content/06.pdf> , and MiningWatch Canada and the Pembina Institute. *Looking Beneath the Surface: Assessing the Value of Public Support for the Metal Mining Industry in Canada*. MiningWatch Canada, Ottawa.



Serge Ashini Goupil

³ Reid, L. 1986. *Ghost Town/Boom Town*. Marathon, Ontario in *Equinox*, Fall, pp. 90-95.

⁴ Mawhinney, Anne Marie and Jane Pitblado. *Boom Town blues - Elliot Lake: Collapse and Revival of a Single Industry Town*, Dundurn, Toronto 1998.

⁵ Walsh, Nick Paton. "Russia to relocate 600,000 from frozen north: World Bank backs scheme to help poor in Moscow", *The Guardian*, Friday, May 30, 2003.

⁶ Parsons, Graham F. and Ron Barsi. Uranium Mining in Northern Saskatchewan: A Public-Private Transition" in Gary McMahan and Feliz Remy (eds) "*Large Mines and the Community: Socioeconomic and Environmental Effects in Latin America, Canada and Spain*". IDRC, Ottawa 2001.

⁷ Bradbury, J.H. and I. St. Martin, "Winding Down a Quebec Mining Town: A Case Study of Schefferville, *Canadian Geographer* ,Vol XXVII, 2, P. 128-144.

⁸ This literature on this can be found on the CEP web site under [health_safety/files/transitions_html](#).

⁹ CCSG Associates. *Financial Options for the Remediation of Mine Sites*, Mining Watch Canada, 2001.

¹⁰ Polese, Maria and Richard Sheamur. *The Periphery in the Knowledge Economy: the Spatial Dynamics of the Canadian Economy and the Future of Non-Metropolitan Regions in Quebec and the Atlantic Provinces*. The Canadian Institute for Research on Regional Development, 2003.



Jamie Kneen