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Viewpoint

COVID-19, extractive industries, and indigenous communities in Canada: Notes towards a political economy research agenda

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ABSTRACT

As the economic ramifications of the COVID-19 pandemic continue to unfold, it is becoming increasingly apparent that this crisis will have significant and lasting implications for the relationship between extractive industries and Indigenous communities. Using a case study from Canada, this paper examines how the political dynamics of industry-Indigenous relations have changed and speculates about how these dynamics might continue to change in the future. The economic crisis has already intensified political conflicts and struggles between Indigenous peoples and mining, oil, and gas companies. We identify and discuss four points of conflict between Indigenous communities and extractive industries that have become more acute as a result of the current economic crisis. It is important for researchers to pay close attention to how these conflicts are affected by the pandemic, in order to help Indigenous communities develop strategies to cope with changes in industry-Indigenous relations.

1. Introduction

Economic crises tend to intensify political and social struggles in several ways (McNally, 2011). There tends to be a struggle over who will shoulder the burden of economic recovery in the wake of major crises. For example, states responded to the 2008–2009 financial crisis with large bail-outs for major banks, which were financed in large part with subsequent cuts to social spending. This led to the growth of political movements resisting these 'austerity' measures (Albo and Evans, 2011). Crises can also create political opportunities, insofar as they tend to disrupt people's common-sense understanding of the world, de-legitimize existing orders, and create openings for political change that hitherto appeared impossible (Castree, 2009). The exploitation of economic crises in the 1970s and 1980s, for example, was an important means through which states were compelled to adopt neoliberal policies (Harvey, 2005).

The COVID-19 pandemic is wreaking havoc on extractive economies globally. The market prices for oil and some metals have undergone steep declines due to a collapse in demand. Physical distancing protocols have caused significant disruption to the operation of mines, affecting productivity and profitability. As a result, the share price for several major mining companies have declined significantly (Laing, 2020).

These economic changes are already affecting industry-Indigenous relations in Canada in several important and interesting ways. Extractive industries are associated with the dispossession of Indigenous lands and resources (Gordon, 2010; Coulthard, 2014; Veltmeyer and Bowles, 2014; Pasternak, 2017). That said, it would be a mistake to assume that Indigenous communities are inherently opposed to resource extraction (Slowey, 2009). Some Indigenous communities have embraced extractive industries as a driver of community development and as a means of furthering goals of self-determination (Slowey, 2008; Abele, 2004). Many others, stuck with extractive projects on their territories that proceeded either with or without their consent, seek to pragmatically make the most of the situations they find themselves in (Wanvik and Caine, 2017). In both cases, Indigenous communities become stuck in the often-unfavorable position of trying to maximize local benefits and minimize negative effects.

These struggles over the benefits and negative effects of extraction have intensified because of the COVID-19 pandemic. Moreover, we argue they are likely to further accelerate as mining and oil companies seek to shift the burden of recovery and make opportunistic use of the crisis. In what follows, we identify and discuss four points of conflict that have become more acute and are likely to continue to intensify as the economic implications of the pandemic continue to unfold.

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2. Community health

First and foremost, conflicts over the implications of extractive industries for community health have already intensified significantly. During normal operations of mining and energy projects community health is often a concern for Indigenous communities. Community concerns include the physical and mental health implications of environmental contamination, potential new diseases that may be acquired from transient workers, disruptions to community relationships, and changes to local lifestyles (Westwood and Orenstein, 2016; Horowitz et al., 2018; Wright and Griep, 2019).

COVID-19 has significantly changed the discussion about extractive industries and public health, as transient workers are potential vectors through which the novel corona virus could be spread to remote communities. The industry response to the pandemic has thus far been uneven. While the province of Quebec has ordered mines to shut down to help halt the spread of disease, other jurisdictions have categorized mines and other extractive industries as 'essential services', allowing them to continue operations.

This decision to put corporate profits ahead of the health and safety of some Indigenous communities has provoked serious concern. For example, the Yukon Government opted to allow mines to continue operations during the pandemic. On March 30, 2020 the White River First Nation (WRFN) of Beaver Creek put out a media release addressed to territorial Premier Sandy Silver asking his government to "suspend all Mining Activity During COVID-19 State of Emergency to protect Elders and most Vulnerable" (Demit, 2020). In the release Chief Demit explained that: "In order to protect Elders, we cannot have people from out of Territory (meaning workers at the mine) entering on charter flights exposing their potential illness to Yukoners. On the one hand the Premier is correct in saying the situation is extremely serious, declaring an Emergency. On the other hand, the Yukon Government is saying mining is open for business. That doesn't not make sense". The WRFN press release followed an earlier letter written by Na-cho Nyak Dun First Nation (NNDFN) Chief Simon Mervyn who expressed concern for the safety of his citizens (Mervyn, 2020). In his letter to the premier Chief Mervyn expressly states: "Economic imperatives cannot be placed above the health and safety of our people." To that end, the NNDFN government passed Resolution #044-2020 which reads: "We direct that any mining or other industrial or commercial activity currently underway on NND settlement land cease immediately." Despite these statements, nearby mines continue to operate, with companies assuring NNDFN that all workers are self-isolating before being transported to the mine. As a result, like many other northern First Nations, NNDFN has taken it upon itself to enact measures to monitor people coming into its traditional territory by collecting information on anyone coming into and out of the area, going so far as to set up a checkpoint 4 km away on the highway into town.

Other jurisdictions have witnessed similar conflicts. In British Columbia, the construction of three highly controversial energy projects – the Site C hydroelectric Project, the Trans-Mountain Pipeline Expansion, and the Coastal GasLink pipeline – has been allowed to continue, a decision criticized by Indigenous leaders and activists. For example, the Union of British Columbia Indian Chiefs (2020a, 2020b) wrote to federal and provincial government leaders demanding a halt to construction on both the Coastal GasLink pipeline and the Site C dam. David Bowering, former chief medical officer for Northern British Columbia, has similarly criticized the decision to continue construction of these energy projects amidst the global pandemic (Cox, 2020).

When concern over the COVID pandemic reached Nunavut, the response from mining companies initially varied. The Mary River iron mine, operated by Baffinland Iron Mines, scaled down operations and sent all Nunavut employees home with pay in order to help stop the spread of disease into Inuit communities (Nunatsiaq News, 2020). Agnico-Eagle, which operates two gold mines in Nunavut, initially attempted to maintain normal operations. The grassroots response was both swift and successful. Residents of Rankin Inlet blockaded the road to the nearby Meliadine gold mine to force Agnico-Eagle to halt operations for the duration of the pandemic (Driscoll, 2020). Agnico-Eagle responded to the blockade by following Baffinland's lead and sending its Nunavut employees home with pay, therefore allowing it to operate at a lower capacity with its transient workforce in relative isolation from nearby Indigenous communities (Neary, 2020).

3. Environmental protection

A second point of struggle that is likely to intensify is environmental protection. Under normal circumstances, there tends to be conflicts between Indigenous communities and extractive industries over the appropriate measures to protect the local environment. Indigenous communities frequently struggle to persuade governments and mining companies to recognize and mitigate negative environmental effects (Parlee et al., 2018; Kennedy Dalseg et al., 2018; Horowitz et al., 2018). Measures that affect productivity or limit the land available for exploration and extraction tend to be met with apprehension (and sometimes outright disdain) from industry (Zalik, 2015).

As the COVID pandemic continues to disrupt production and affect global commodity prices, these conflicts over environmental protection will become more acute, with mining companies arguing that they need more room to maneuver to restore profitability to their operations. We have already witnessed several examples of the opportunistic use of this crisis to roll-back environmental protections, including the Canadian Association of Petroleum Producers' request for the federal government to relax environmental regulations and delay action on climate change (CAPP, 2020). Provincial governments in Alberta and Ontario have temporarily suspended various environmental regulations (Lindgren, 2020). As this crisis continues to unfold, Indigenous communities should anticipate that industry will call on them to make further environmental sacrifices, least mines be forced to close and layoff their (increasingly Indigenous) work forces.

4. Economic benefits

Along with conflicts over environmental protection, we are likely to see increased conflict over the economic benefits Indigenous communities capture as a result of extraction on their territories, which is the third point of struggle we identify. While most of the wealth produced by extraction – including profits, royalties, business contracts and employee wages – continues to bypass Indigenous communities and is captured by external interests, in recent years Indigenous communities have managed to capture larger shares of this wealth than was hitherto possible (Kadenic, 2015; Bone, 2016; Stokes et al., 2019). Royalty sharing frameworks embedded in modern treaties, as well as industry-Indigenous agreements, are important mechanisms that allow Indigenous communities to capture local economic benefits (Irlbacher-Fox and Mills, 2007; Mills and Sweeney, 2013; Cameron and Levitan, 2014).

Indigenous negotiators should be prepared for industry to demand concessions – especially reduced resource rents and employee wages and benefits – in response to the current economic crisis. Industry has already attempted to use the current crisis as a pretext to reduce employee benefits south of the border; most notably the recent attempt by coal mining companies to cut benefits to workers affected by black lung (Englund, 2020).

5. Indigenous rights

A fourth point of struggle that is likely to intensify is the conflict over Indigenous peoples' rights to participate in decisions about extraction taking place within their territories. The question of Indigenous peoples' control over their land and resources has a very long history in Canada. In recent years, the Supreme Court of Canada has ruled that the

state has a 'duty to consult' Indigenous communities before taking actions that may negatively affect their rights. Many Indigenous people have argued that this requirement for consultation is insufficient, arguing that extraction on Indigenous peoples' territories should only proceed with the explicit consent of Indigenous communities, per the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) (Ritchie, 2013; Baker and Westman, 2018). Advocates for the mining industry have responded to proposals to implement the UNDRIP with alarm, arguing that requirements for Indigenous consent create unreasonable levels of 'uncertainty' for investors (Lawrence and Moritz, 2019).

The COVID crisis is likely to lead to calls to scale back requirements for consultation and community engagement, in order to attract investment and help the mining industry re-establish profitable operations. Indeed, these calls have already begun. For example, historian Ken Coates (2020) has suggested Canada should help limit the damage the COVID crisis is causing to the Northern economy by suspending attempts to implement the UNDRIP in Canada. Coates' suggestion is especially concerning because he claims such measures are necessary to help Indigenous communities confront the pandemic. As he puts it:

> *To give Indigenous peoples the chance to build a prosperous future, the government should institute a moratorium on additional regulation and interference with the resource economy. That would mean a suspension of Bill C-69 and a withholding of the proposed legislation on the UN Declaration on the Rights of Indigenous peoples.*

In order to protect Indigenous peoples' interests, according to Coates, we need to suspend their rights.

6. Conclusions

Our discussion of how the COVID pandemic will affect political struggles over the benefits and impacts of extraction is decidedly bleak, as we anticipate that industry will increasingly demand Indigenous communities sacrifice their health, environment, aspirations for economic development, and political rights. That said, there are reasons to be optimistic, especially the many examples of determined resistance from Indigenous communities. In any case, it will be important for scholars to track how these conflicts develop to help Indigenous communities produce strategies to respond to the changing political dynamics we identify in this paper.

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