

Does Mining Development Benefit Indigenous Communities?: Exploring the Case of the Inuit of

Arctic Bay and the Nanisivik Mine

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POLS 4101

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Mining has been a staple of Canada's economy since before Confederation. However, with an increased focus on climate change and environmental destruction in recent decades, many Indigenous and environmental groups argue that the risks of mining development outweigh the benefits (Dahl, 1984; Chan et al., 1995; Hall, 2012; Cater and Keeling, 2013). This paper seeks to answer the question does mining development benefit Indigenous communities? Through an examination of the Inuit of Arctic Bay's experience with the Nanisivik mine, this paper argues that mining development does not benefit Indigenous communities because of the lack of substantive Inuit involvement in mining initiatives and the numerous socio-economic challenges that arise from them. To prove that mining development negatively impacts Indigenous communities, this paper analyzes the case of the Nanisivik mine to demonstrate how mining development detracts from the sovereignty of Indigenous communities over their lands and resources, creates short-term benefits but long-term economic instability and the erosion of traditional economies, while also contributing to social issues like addiction and a loss of cultural practices. The first section provides some background on the Inuit of Arctic Bay, also known as Ikpiarjuk, and the Nanisivik mine. The second section examines the political implications of engagement in mining development to demonstrate that mining development is colonizing and detracts from the sovereignty of Indigenous communities over their lands and resource by ignoring and limiting local decision-making power. The third section explores how mining development contributes to short-term benefits like the creation of jobs and funds for the community but also leads to several negative long-term implications such as the erosion of traditional economies and economic instability when the mines stop operating. The final section

looks at the social implications of engagement in mining development to highlight how it contributes to several social issues like addiction and difficulty in engaging in cultural practices like hunting and fishing due to the destruction and pollution of lands and traditional territories caused by mining. In the end, the paper concludes that mining development negatively impacts Indigenous communities, as in the case of Nanisivik Mine and Arctic Bay, by diminishing local decision-making power, contributing to long-term economic issues and instability, and leading to social issues like addiction and difficulty in engaging in cultural practices.

The Inuit of Arctic Bay/Ikpiarjuk and the Nanisivik Mine

To assist in understanding the negative implications of mining development for the Inuit of Arctic Bay, this section provides some background on the Inuit of Arctic Bay and the Nanisivik Mine. The Inuit of Arctic Bay, known as the Tununirusirmiut, used the area as a trading post for thousands of years but only began to permanently inhabit it when the Hudson's Bay Company established a post in Arctic Bay in 1936 and the federal government began forcibly relocating Inuit families to the area (Qikiqtani Inuit Association, 2013, p. 18). The community of Arctic Bay is located on Baffin Island in Nunavut on the northern shore of Adams Sound, off the coast of Admiralty Inlet (Qikiqtani Inuit Association, 2013, p. 11). Throughout the life of the Nanisivik Mine, the population of Arctic Bay rose from 49 people in 1961 to 716 in 1999, eventually reaching 994 as of 2021 (Brubacher and Associates, 2002, p. 39; Statistics Canada, 2022). About 81% of Arctic Bay's inhabitants claim Inuktitut as their first language, while hunting and carving remain a large part of local activities (Statistics Canada, 2017). Since the mid-1960s, the community has acquired basic services, some business, and scheduled air service from Iqaluit on a gravel runway suitable for jets, built specifically for the Nanisivik mine in the late 1970s (Bowes-Lyon et al., 2009, p. 376). While local businesses offer some

employment, most of the jobs in Arctic Bay are related to community services offered by the hamlet, or are government related. In 1957, a large lead and zinc deposit was discovered 35 kilometers northeast of Arctic Bay at Strathcona Sound, which eventually became the location of the Nanisivik Mine (Qikiqtani Inuit Association, 2013, p. 11). Following the discovery, the Tununirusirmiut formed a Settlement Council in 1967 and a hamlet council in 1976 in an effort to have their voices heard by the government. However, these struggles only increased after the arrival of the townsite at Strathcona Sound and the opening of the Nanisivik mine for production in 1976 after the ratification of the Strathcona Agreement in 1974.

Following the signing of the Strathcona Agreement by the Department of Indian Affairs and Northern Development (DIAND), Mineral Resources International (MRI), and the mayor of Arctic Bay on June 18th, 1974, the Nanisivik mine opened for production in 1976. For DIAND, Nanisivik was seen as providing an opportunity to modernize Inuit and bring them into the wage-based economy to reduce social assistance payments. For this reason, the federal government committed to providing \$16.7 million in grants and loans for the construction of the town and related infrastructure with the conditions that they retain 18% equity interest in the mine, the mine would operate for at least 12 full years, and that Nanisivik's workforce would be at least 60% Inuit by the third year of production (Bowes-Lyon et al., 2009, p. 378). Production at the Nanisivik mine began in 1976 and ended in 2002, lasting 14 years longer than originally planned due to an extension of ore reserves (Bowes-Lyon et al., 2009, p. 379). Unlike many other mines, Nanisivik was unique insofar as some of the employees travelled to work from their home communities while others lived on-site with their families, with many employees working 6 days a week for 13 weeks, or 91 days, and having 3 weeks, or 21 days, off (Hobart, 1982, p. 57). However, the training and employment of Inuit at Nanisivik had limited benefits for the

community given that the 60% requirement for Inuit employment was never reached with Inuit employment peaking at 28% and declining afterwards (Bowes-Lyon et al., 2009, p. 379). While the economic and social implications of Nanisivik mine for Arctic Bay are readily apparent, understanding the political implications of mining development requires a closer examination.

Political Implications

The development of the Nanisivik mine had negative political implications for the Inuit of Arctic Bay because it was colonizing and detracted from Inuit sovereignty over their lands and resources through a lack of meaningful consultation and by ignoring local decision-making authority in negotiations, even though it was portrayed as empowering. While the duty to consult did not emerge until the establishment of the *Constitution Act, 1982*, as a matter of convention the Crown, particularly in the form of the federal government, has often sought agreement from Indigenous communities before proceeding with development on their lands (Natcher, 2001, p. 114). However, these negotiations were often colonial in nature, with government officials ignoring the decision-making power of Indigenous communities and using underhanded tactics, like misrepresenting the nature of the developments, to acquire agreement (Hall, 2012, p. 385). Throughout the 1950s and 1960s, the federal government's colonial drive to 'modernize' and assimilate Inuit by turning them into wage-laborers resulted in the DIAND encouraging mining development and Inuit engagement in mining (Green, 2014, p. 37). Furthermore, Hall highlights how the Canadian mining industry operates through the principle of free mining which devalues the authority of Indigenous communities and provides them with the same stakeholder status as corporations (Hall, 2012, p. 379). Given these factors, while the federal government and MRI hailed the Strathcona Agreement and the Nanisivik mine as beneficial and empowering for the Tununirusirmiut, the development was colonizing because throughout the process the

Tununirusirmiut's local decision-making power and sovereignty over their lands and resources were completely ignored (Bowes-Lyon et al., 2009, p. 392).

A prime example of the colonial and politically disempowering nature of mining development is how when seeking agreement from the Tununirusirmiut to proceed with the establishment of the Nanisivik mine on their lands, the federal government had the mayor of Arctic Bay and another Inuit man sign the agreement without understanding its contents because it was written in English and not explained to them (Rideout, 2002). Initially, Arctic Bay and other Baffin Island communities had been opposed to the development of a mine and town in the Nanisivik area and communicated this to the federal government when the proposal was announced but the government and MRI ignored their wishes and after the signing of the Strathcona Agreement there was little the Inuit could do to prevent the development from happening (Dahl, 1984, p. 149). In addition, by ignoring the Hamlet Council's concerns throughout the operation of the mine regarding the potential impacts of alcohol and year-round shipping, the federal government and mine further disempowered Arctic Bay, while also contributing to substance abuse issues and a decline in narwhal populations (Dahl, 1984, p. 154). These examples are significant because they both serve to indicate that while mining development is portrayed as empowering to Indigenous communities by involving them in negotiations and ensuring their agreement, as in the case of Arctic Bay mining development has a disempowering effect on Indigenous communities by ignoring their decision-making power and proceeding with development without meaningful consent (Hall, 2012, p. 385). Therefore, instead of empowering communities by involving them in negotiations, mining development has negative political implications insofar as it is largely colonial and contributes to a lack of political power in Indigenous communities through misrepresentations of the impacts of the

development to acquire agreement and a failure to address local concerns about the impacts.

Overall, the Nanisivik mine had negative political implications because while helping Arctic Bay establish councils and engage in negotiations, many of the community's desires were completely ignored by the federal government and MRI, which points to the colonial and disempowering nature of mining development.

Economic Implications

Short-term Implications

While the Nanisivik mine had negative political implications for the Tununirusirmiut, it had some positive economic implications by providing several short-term economic benefits to the Tununirusirmiut of Arctic Bay. In their discussion of the impacts of mining development, Bowes-Lyon et al. (2009) assert that "mining can have positive economic impacts through GDP growth, tax revenues, direct employment, indirect economic spin-offs, and supplier partnership programs," (p. 388). In the case of the Nanisivik mine, mining development provided several short-term economic benefits in the form of increased employment, income, and business during the mine's lifetime. Although Inuit employment rates at the Nanisivik mine fell far below expectations by never surpassing 28%, Tester et al. (2013) indicate that during the mine's operation it regularly provided approximately half, or 50, of the jobs that employed residents of Arctic Bay (p. 24). The impact of employment at the Nanisivik mine on local incomes cannot be understated given that it provided \$2-3 million in direct wages to Arctic Bay workers each year during the 1970s, which declined to around \$1 million from 1990 to the mine's closure in 2002 (Brubacher and Associates, 2002, p. 65). This influx of additional income into Arctic Bay did much to alleviate the financial hardship the community was experiencing and contributed to an increased ability to engage in cultural practices like hunting by providing the funds necessary to

buy better hunting equipment like skidoos, boats, and rifles (Brubacher and Associates, 2002, p. 46). Furthermore, the Nanisivik mine and the income generated from working there further benefitted Arctic Bay by contributing to the development and thriving of various local businesses (Rodon and Levesque, 2016, p. 18). In particular, the Nanisivik mine had supported the emergence of several freight and shuttle services that were locally owned by Tununirusirmiut by contracting out services, while the carving industry also boomed due to an influx of Southerners who were more than willing to pay top dollar for a genuine carving (Brubacher and Associates, 2002, p. 64). These increases in employment, incomes, and benefits for businesses are significant because they indicate that mining development provides many short-term benefits to communities even though it is an unsustainable form of long-term economic development.

Long-term Implications

However, while the Nanisivik mine provided some short-term economic benefits to Arctic Bay, for the most part these benefits did not persist past the closing of the mine in 2002, resulting in negative long-term economic implications in the form of the erosion of traditional economies and economic instability. As Bowes-Lyon et al. (2009) assert “because the benefits were not numerous and mostly did not persist after mine closure these mines did not contribute to the long-term sustainable development of the region,” (p. 372). Furthermore, Hall (2012) argues that instead of viewing these mining initiatives as development, these short-term jobs should be viewed through the broader socio-economic lens of eroding traditional economies to create an exploitable cheap source of labor (p. 388). To this end, while the Nanisivik mine provided many jobs to the Tununirusirmiut, the majority of these jobs were considered casual employment where community members earned an average of \$4,559 each (Brubacher and Associates, 2002, p. 66). Given the fact that most of these jobs were temporary and did not assist

in the development of transferable skills, the Tununirusirmiut were not eligible for EI when the mine closed which contributed to financial hardship and resulted in community members being more willing to relocate and take whatever jobs they could, essentially coercing them to enter the wage-based economy (Hobart, 1982, p. 66). This erosion of traditional economies and mobilization of an Indigenous proletariat is significant because it highlights how the supposed short-term economic benefits that arise from mining development and make it appear appealing can do much more harm than good for communities by leading to their forced engagement in the wage-based economy, thereby undermining economic autonomy. Overall, while the development of the Nanisivik mine provided short-term benefits to the Tununirusirmiut in the form of increased employment, incomes, and the development of businesses, these benefits are unsustainable and lead to negative long-term economic implications by contributing to an erosion of traditional economies and economic instability.

Social Implications

Alcohol

To continue, this section explores how the Nanisivik mine had negative social impacts on the Tununirusirmiut of Arctic Bay by leading to increased alcohol use in the community which caused an erosion of traditional family structures and dynamics. From the perspective of the community, the increases in alcohol use that resulted from the establishment of the Nanisivik mine is the most negative impact of the mining development and a catalyst for other social issues (Bowes-Lyon et al., 2009, p. 384). Before the creation of the Nanisivik mine, alcohol was not a prevalent issue in Arctic Bay because it was heavily restricted by an Alcohol Committee that issued import permits (Brubacher and Associates, 2002, pp. 23-24). However, Bowes-Lyon et al. (2009) argue that with the creation of the Nanisivik mine and an influx of southern workers

alcohol became a prevalent issue in Arctic Bay with many workers spending their newfound disposable income on alcohol resulting in increases in drunk-driving incidents, people losing their jobs, and family issues like domestic violence and adultery (p. 384). In addition to these issues, increases in alcohol use in Arctic Bay resulted in a break-up of marriages and families, increases in crime, and the neglecting of children, all of which are at odds with Inuit culture and their respect for the integrity of the family (Brubacher and Associates, 2002, pp. 18-19). While the spread of alcohol use and related social issues are a matter of concern, the fact of the matter is that these issues could have been completely avoided if the federal government and MRI had properly consulted the Tununirusirmiut of Arctic Bay and listened to their concerns (Qikiqtani Inuit Association, 2013, p. 36). The Tununirusirmiut of Arctic Bay were aware of the issues that could arise relating to alcohol with the development of the Nanisivik mine and voiced these concerns to the federal government and MRI on several occasions through letters and in meetings with officials, but these concerns were completely ignored and no action was taken to address these issues (Bowes-Lyon et al., 2009, p. 384). Furthermore, the effects of increased alcohol use are not short-term issues and have continued to afflict Arctic Bay long past the closure of the mine up to the present day (Frizzell, 2019, p. 2). These increases in alcohol use and related social problems are significant because they highlight how while mining development is often portrayed as having primarily positive implications, they are outweighed by the negative implications due to the disempowering nature of these initiatives. In conclusion, the experience of the Tununirusirmiut of Arctic Bay with alcohol and related social issues after the establishment of the Nanisivik mine point to how mining development can negatively impact Indigenous communities by leading to a breakdown in cultural values and social wellness due to substance abuse.

Hunting and Fishing

In addition, the establishment of the Nanisivik mine and increased shipping in the area had negative social implications for the Tununirusirmiut of Arctic Bay insofar as they harmed hunting and fishing opportunities. Regarding the impact of the Nanisivik mine on hunting, many community members claimed that working at the mine had improved their ability to hunt by providing them with money to buy better equipment like snowmobiles and rifles (Hobart, 1982, p. 68). While engagement in mining did improve the ability of the Tununirusirmiut to hunt land animals like caribou, Dahl (1984) indicates that increased shipping to Nanisivik during the late spring before ice break-up diminished narwhal hunting opportunities (p. 153). This early shipping negatively affected narwhal hunting opportunities by disrupting flow-edge hunting, scaring away narwhals, and preventing hunters from returning to Arctic Bay by opening channels of water that they are unable to cross (Dahl, 1984, p. 153). Regarding the importance of narwhals to the Tununirusirmiut, the Qikiqtani Inuit Association (2013) claimed that “narwhals, hunted primarily in the summer, were an important source of food for qimmiit while their tusks were used for trade with whalers and later with the HBC. Tununirusirmiut also considered the skin, fresh or purposefully aged, a delicacy,” (p. 12-13). Given the importance of hunting narwhals to the Tununirusirmiut, the loss of narwhal hunting opportunities and difficulty in engaging in traditional harvesting activities that result from it led to social problems in the form of a loss of cultural continuity and income that was obtained from the sale of narwhal parts (Tester et al., 2013, p. 26). While narwhal hunting opportunities were harmed by the Nanisivik mine, Cater and Keeling (2013) indicate that the failure to clean up tailings from the mine after its closure resulted in the water in the surrounding area getting polluted with various metals and chemicals (p. 72). The pollution caused by these tailing resulted in high concentrations of lead, zinc,

cadmium, and arsenic in ocean sediments in the surrounding area, which eventually began polluting the fish population (Chan et al., 1995, p. 740). To this end, Chan et al. (1995) indicates that these decreases in fishing opportunities negatively impacted cultural continuity and food security by limiting the ability to transmit traditional harvesting practices and the number of available country foods (p. 740). Therefore, the case of the Tununirusirmiut of Arctic Bay and the Nanisivik mine is significant because it demonstrates that while mining development can improve hunting and fishing opportunities by providing the funds to get better equipment, it can also have negative social implications by diminishing hunting and fishing opportunities through collateral environmental damage, as was the case with narwhal hunting and fishing.

Conclusion

In conclusion, as this paper demonstrates through its examination of the Nanisivik mine and its political, economic, and social implications for the Tununirusirmiut, mining development does not benefit Indigenous communities. The first section provided some background on the Tununirusirmiut of Arctic Bay and the Nanisivik mine. The second section examined the political implications of engagement in mining development by looking at the Strathcona Agreement and the lack of meaningful consultation in the establishment of Nanisivik to demonstrate that mining development is colonizing and detracts from the sovereignty of Indigenous communities over their lands and resource by ignoring and limiting local decision-making power. The third section explored how while the Nanisivik mine provided several short-term benefits to the Tununirusirmiut in the form of employment, income, and business development, mining development had negative long-term economic implications by eroding traditional economies and causing economic instability. The final section analyzed the social implications of mining development by looking at how the spread of alcoholism and related social issues like domestic

violence and the diminishment of hunting opportunities through collateral environmental damage caused by the Nanisivik mine harmed cultural continuity and lead to a breakdown of cultural values. Overall, as the case of the Tununirusirmiut of Arctic Bay and the Nanisivik mine demonstrates, while mining development is presented as benefiting Indigenous communities, it has numerous negative political, economic, and social implications that outweigh the tenuous benefits that might ensue from engaging in mining development.

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