



Original article

Managing the social impacts of the rapidly-expanding extractive industries in Greenland



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ABSTRACT

The recent rapid expansion of extractive industries in Greenland is both causing high hopes for the future and anxieties among the local population. In the Arctic context, even small projects carry risks of major social impacts at local and national scales, and have the potential to severely affect the way of life of local indigenous peoples. The effective identification and management of social impacts is therefore essential. We explore the challenges associated with on-going development as perceived by people in Greenland. We also review and synthesize the regulatory tools used to ensure social issues are adequately managed and taken into consideration when regulatory approval of new projects is considered. We found that there are many issues of concern. Of particular interest is the lack of trust by the public in the capacity of the Government of Greenland to protect local values. We suggest that, in the context of Greenland, social impact assessment is needed, not only at the project level, but also at the policy level carried out by or on behalf of the government and prior to project planning. We also advocate for the use of free, prior and informed consent.

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1. Introduction

Greenland has been undergoing rapid transformation as a result of the recent expansion of the extractives sector, which is being actively encouraged by the Government of Greenland in order to achieve a solid economic base for its future social development (Government of Greenland, 2014; Aningaasaqarnermut Siunner-suisoqatigiit, 2014) and to overcome problems associated with dependence on Danish assistance (see Paldam, 1997). While Greenlanders generally welcome this industrial development and there are high hopes for the future, there is nevertheless a degree of concern amongst the general public and some uncertainty about life in the future (Østhagen, 2012; Hansen and Tejsner, 2016). There have also been some protests expressed in newspapers and at public meetings (Nuttall 2012a, 2015; Wilson, 2015). The extensive geological mapping of Greenland's territorial lands and waters, and the international promotion of known mineral deposits by the government, together with increasing market prices for many

commodities, at least from 2009 to 2014, have created much interest in the exploitation of Greenland's mineral, oil and gas reserves (Government of Greenland, 2014; Geological Survey of Denmark and Greenland, 2015). Although the recent downturn in commodity prices has slowed this development, interest within Greenland in developing extractive industries remains high (Boersma and Foley, 2014; MLSA, 2015).

The activities associated with this exploration and subsequent exploitation of resources will cause, and have already caused, dramatic changes to life and culture, not only at the local community level, but also to Greenland in general (Sinding, 1992; Nuttall, 2013; Lynge, 2014; Olsen and Hansen, 2014; Taylor, 2014). A key issue is that, while companies can move on to other projects when reserves are exhausted or if mistakes are made, a community generally only has one chance at development, and therefore it is of utmost importance to get it right first time. Social impact assessment (SIA), impacts and benefits agreements (IBA), and environmental impact assessment (EIA) are tools that are implemented in the legislation of Greenland to ensure sustainable development and to manage social change (Bureau of Minerals and Petroleum, 2011; Government of Greenland, 2015). The objective of these tools is to ensure informed decision-making and to get companies to consider how to mitigate potential negative impacts

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and enhance positive benefits in cooperation with local communities (Bond and Pope, 2012; João et al., 2011). Public participation is a legislated requirement in impact assessment processes which includes accessing local knowledge, to make it possible for locals to adapt to changes, and to encourage connections between companies and locals (Olsen and Hansen, 2014). However, the EIAs that have been conducted so far, typically do not include community engagement activities and do not adequately address social issues. These EIAs have a project-specific focus with a very limited scope that does not cover cumulative impacts or higher-level, strategic considerations.

Expansion of the resource industries in Greenland will have significant impacts on the way of life of local people, just as it has in other places around the world (Franks et al., 2013; Hanna et al., 2014). The way projects are managed can enhance and/or retard social development options and trends (Esteves and Vanclay, 2009). The social impacts of extractive projects can be both controversial and complex. Projects can create wealth, but can also cause considerable disruption to people's livelihoods (Vanclay et al., 2015). New jobs, roads, schools, and other infrastructure may be provided, but the benefits and costs are likely to be unevenly shared. If communities feel they are being unfairly treated or inadequately compensated, the projects can lead to increased social tensions and violent conflicts (IIED, 2002; Prenzel and Vanclay, 2014). Therefore the nature of the extractive activities and the socio-economic context in which companies operate has a direct bearing on human rights issues (Kemp and Vanclay, 2013). For example, mining requires access to land and water, often the basis of livelihoods for communities. The land acquisition activities needed for these developments and their associated displacement and resettlement of people also have considerable potential for human rights infringements and social and environmental impacts (Adam et al., 2015; Owen and Kemp, 2015; Smyth et al., 2015). Similarly, particularly in areas of political instability and conflict, the manner in which the security of mining assets and employees is managed can pose risks to local people, especially in terms of their human rights (ICMM, 2012).

Settlements located in close proximity to new extractive projects will likely experience dramatic changes in their everyday life, both directly and indirectly (Mortensen, 2013). In Greenland especially, there are strong interrelations between the human and natural environments (Olsen and Hansen, 2014). Thus impacts on the biophysical environment have consequent major impacts on people through their use of ecosystem services (Sejersen, 2004; Slootweg et al., 2001; Wells and Rollings, 2012). The social impacts that ultimately result from individual projects depend on the nature of the activities planned, the effectiveness of any mitigation, and the characteristics of the community especially in terms of their vulnerability and resilience (Vanclay, 2002). Impacts may be remediable or irremediable, they can be short term, long term and even permanent, they are often cumulative and interact with other environmental and social impacts, they can vary in many other ways, and they are often site specific (Vanclay, 2002).

Although there are different types of extractive projects, in general they tend to go through similar project development phases: exploration, conceptual, pre-feasibility, feasibility and planning, construction; operations; and closure (Vanclay et al., 2015). Each phase is associated with different impacts. The social impacts also tend to vary according to the size and scope of the project, and the context in which it is implemented. For example, onshore mining and offshore hydrocarbon projects are different—and so their impacts will vary. In general, people in nearby settlements experience impacts differently to people at a greater distance from the project site, although the patterns of adaptive ability, tolerance and resilience over time may vary between communities during the different project phases (Bjørst,

2016). In the early phases, some locals may more willingly tolerate negative impacts in order to gain access to jobs and development, while others who don't directly benefit from the projects tend to be more critical in relation to potential negative impacts. As the locals become stressed and increasingly critical towards the project during production, those at a distance seem to forget about the project and consider the national revenue to be of greater importance than the local impacts (Bjørst, 2016). To date, however, only a few projects have been implemented in Greenland and thus experience is limited.

This paper discusses the challenges of managing social change in Greenland in relation to the current development of the extractive industries. It points at ways to strengthen the management of social change to improve the benefits of the extractive industries for Greenlandic society (see *Committee for Greenlandic Mineral Resources to the Benefit of Society, 2014*). We first present a short overview of points of concern raised by Greenlanders in relation to the on-going developments. Then the legal framework and impact assessment tools used in Greenland to manage social impacts are presented. Finally, the paper discusses the challenges related to the management of social change in Greenland and considers the potential for increasing the benefits to locals. The conclusion provides a series of recommendations for addressing the current gaps in the application of policies concerning social change and development.

2. Methodology

The research underlying this paper had two components. The first was a categorisation and description of the social issues related to on-going development as identified by Greenlanders themselves. The second was a document review of applicable legislation and procedures related to the management of the extractive industries and their impacts in Greenland. In addition to our primary data collection, a comprehensive literature review of the limited literature on Greenland was undertaken. The research also drew on the personal insights of the authors, two of whom have spent the larger part of their lives in Greenland and speak the local languages, Kalaallisut and Danish.

The concerns of local people were collated via analysis of a series of in-depth, qualitative, in-person interviews conducted with key informants in Greenland in 2013 as a part of a bigger research program *To the benefit of Greenland, 2014*, with some follow-up interviews undertaken in 2014. The results of the latter are presented in this paper for the first time. Interviews were conducted on the basis of the principles of informed consent and respect (see Vanclay et al., 2013). They were conducted in Kalaallisut (the local language) or Danish depending on the preference of the person being interviewed. Interviews ranged in length typically taking over an hour each. A total of 15 interviews were undertaken with key informants, including the key actors in the debate about the future of Greenland. They included politicians, key government officials, people active in NGOs, as well as with key staff of mining and oil companies. Since the aim of the research was to consider how Greenland was preparing itself for the future, three young artists who were generally known as youth ambassadors were also interviewed, speaking on behalf of themselves as individuals, but also reflecting on general youth issues. All interviews addressed a list of key themes, and were undertaken as conversations about the current situation in Greenland and the potential opportunities and challenges relating to the management of new extractive industry projects.

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