

The Problems with Extractivism

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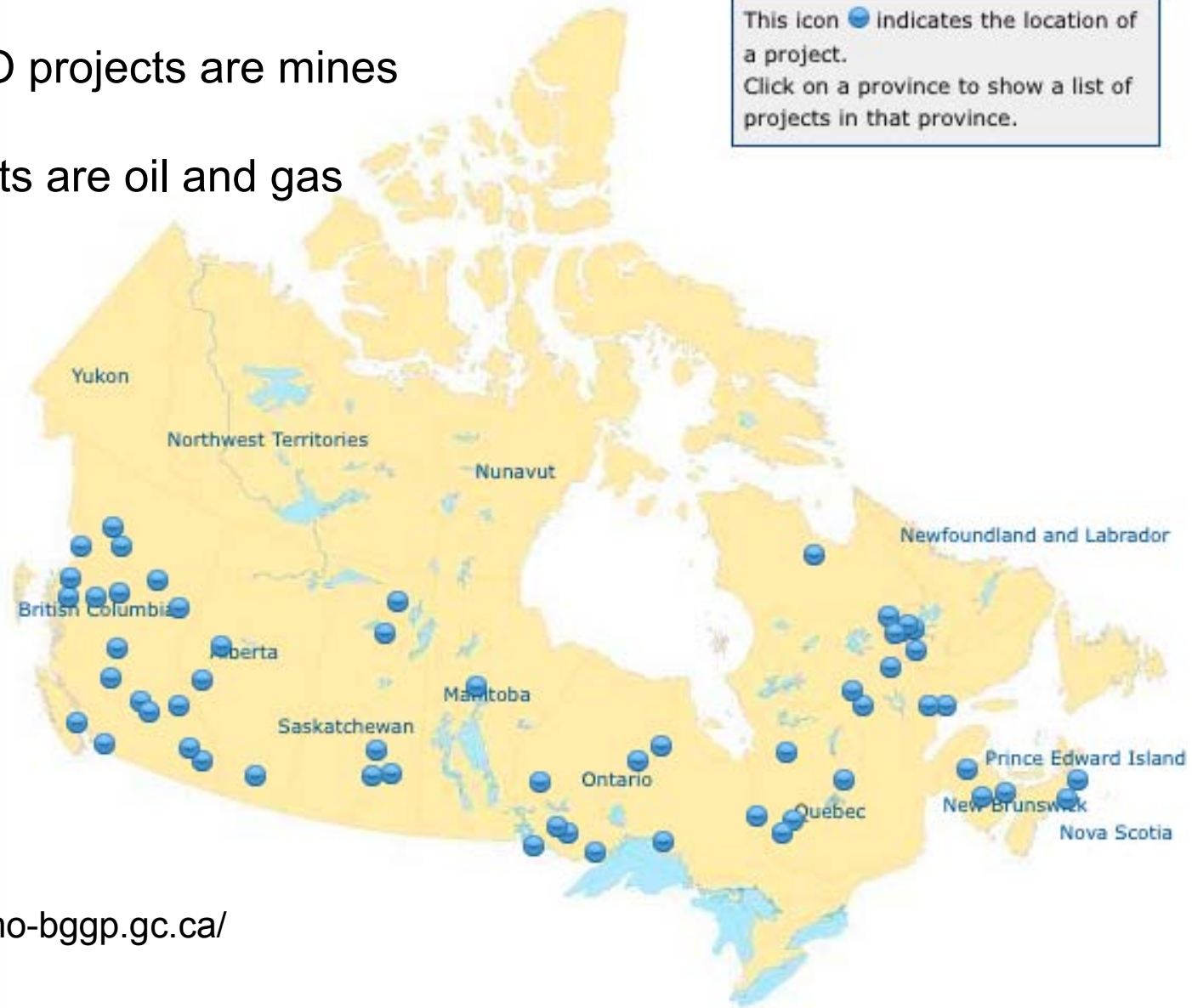
extractivism:

- A development model focussed on exploitation and export of minimally or unprocessed non-renewable natural resources.
- A neo-liberal version of the staples economy.

Major Project Management Office Mining Projects

45/67 MPMO projects are mines

11/67 projects are oil and gas
(not shown)



<http://www.mpmo-bggp.gc.ca/>

Baffinland Iron Ore Project, NU



November 21, 2011

Aerial Imagery of Kamloops with overlay of Ajax Mine Proposal

Google - Imagery 2011 City of Kamloops



The Problems with Extractivism

1. Environment
 - a. Climate change
 - b. Water
 - c. Community ecosystems
2. Democracy
 - a. Omnibus bills
 - b. Healthy dissent vs. marginalization / criminalization
3. **Economy**
 - a. **Instability**
 - b. **Limited and decreasing # of jobs from mechanization**
 - c. **Expansion outstripping available work force**
 - d. **Wealth concentrator**
 - e. **Resource curse / Dutch disease**
4. Justice
 - a. Indigenous title and rights
 - b. Community and property rights
 - c. International human rights impacts

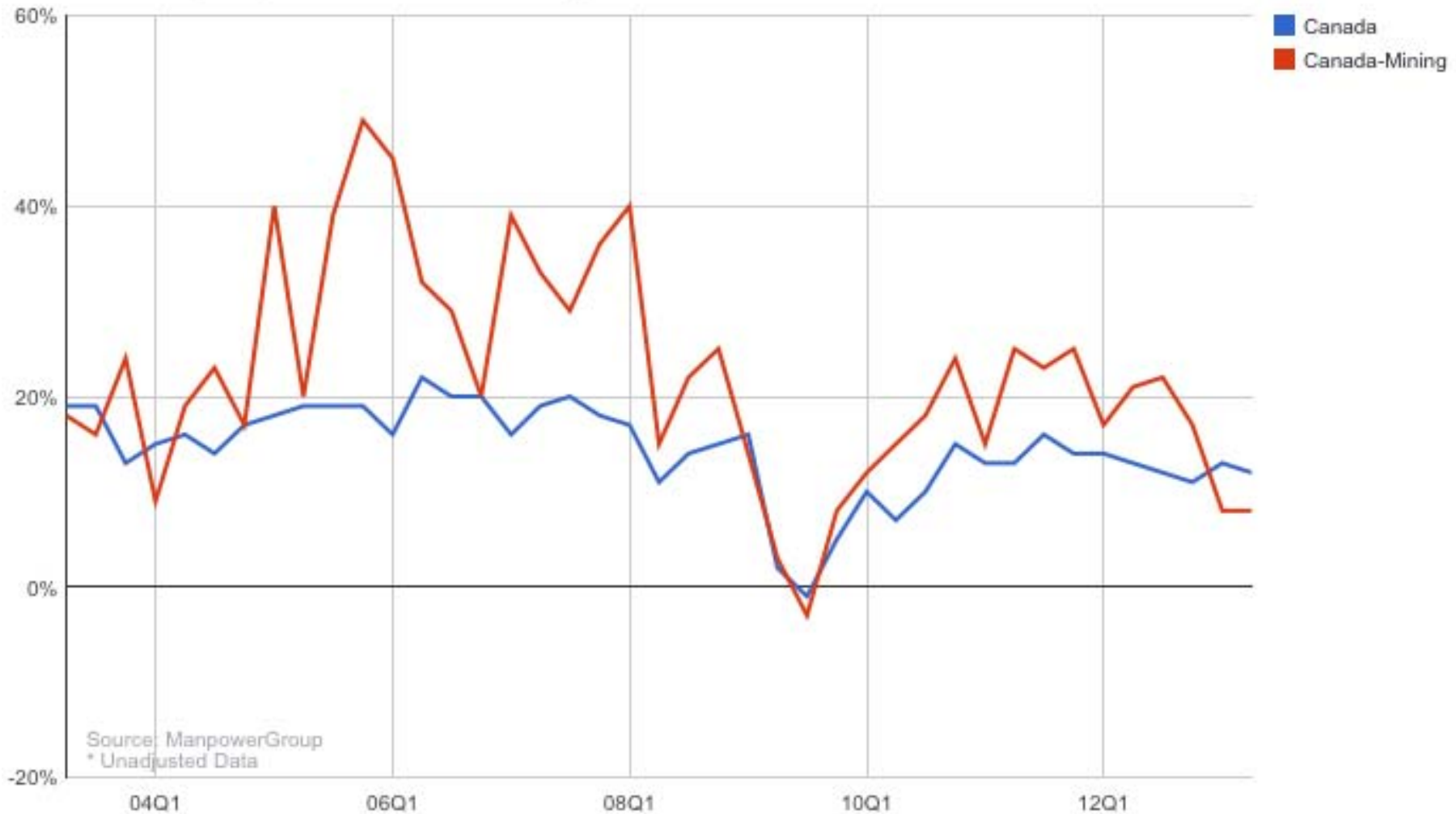
Extractivism supports:

- GDP growth
- exports / balance of trade
- foreign investment
- some jobs
- some government revenue
(but also a lot of expenditures)

“Contrary to long-standing assumptions...roughly half of all published findings indicate negative economic outcomes in mining communities.”

T.M. Power

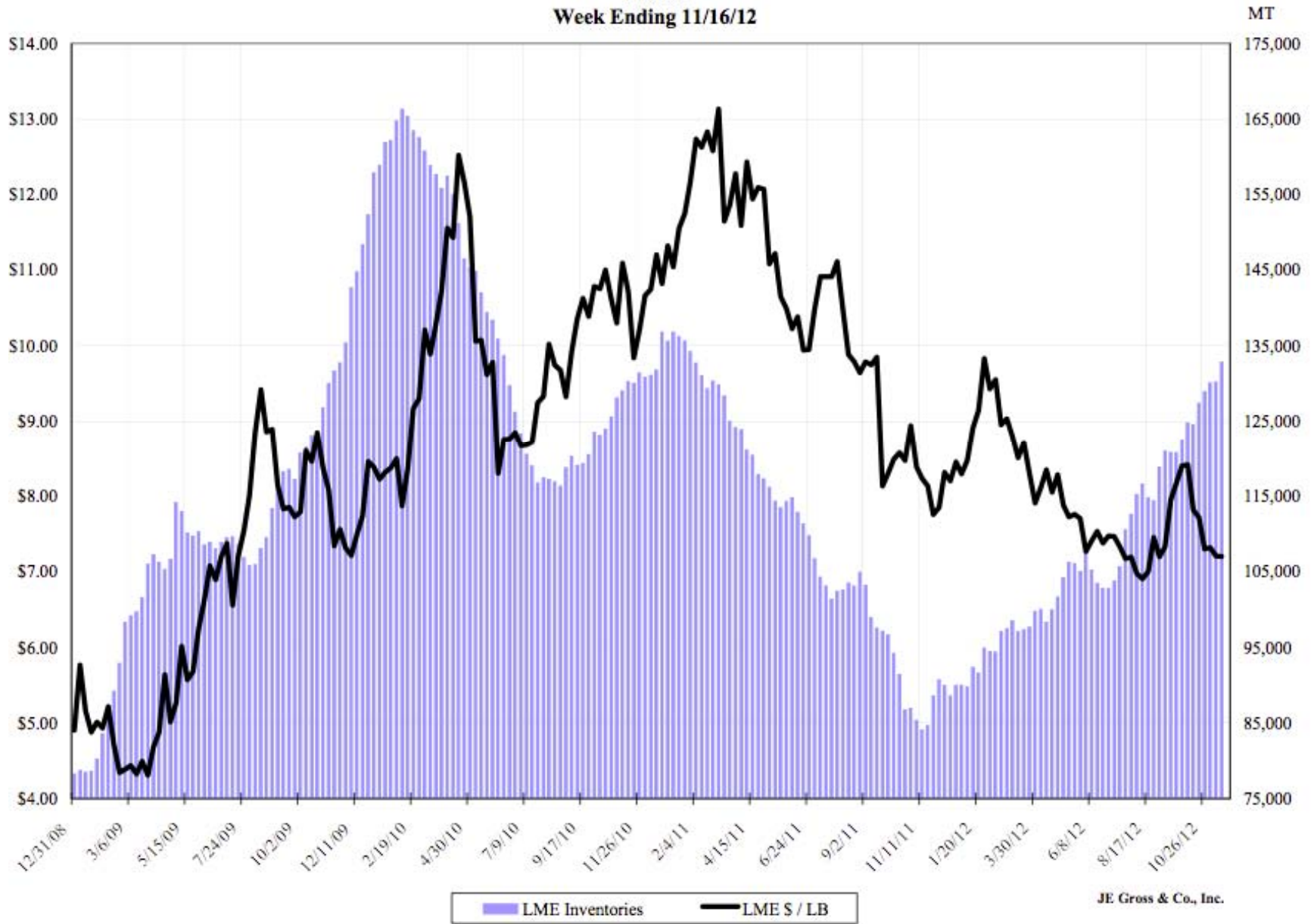
Net Employment Outlook Figure



Instability over 10-years of employment outlook figures

(diff in # businesses estimating an increase in employment from # that estimate decrease)

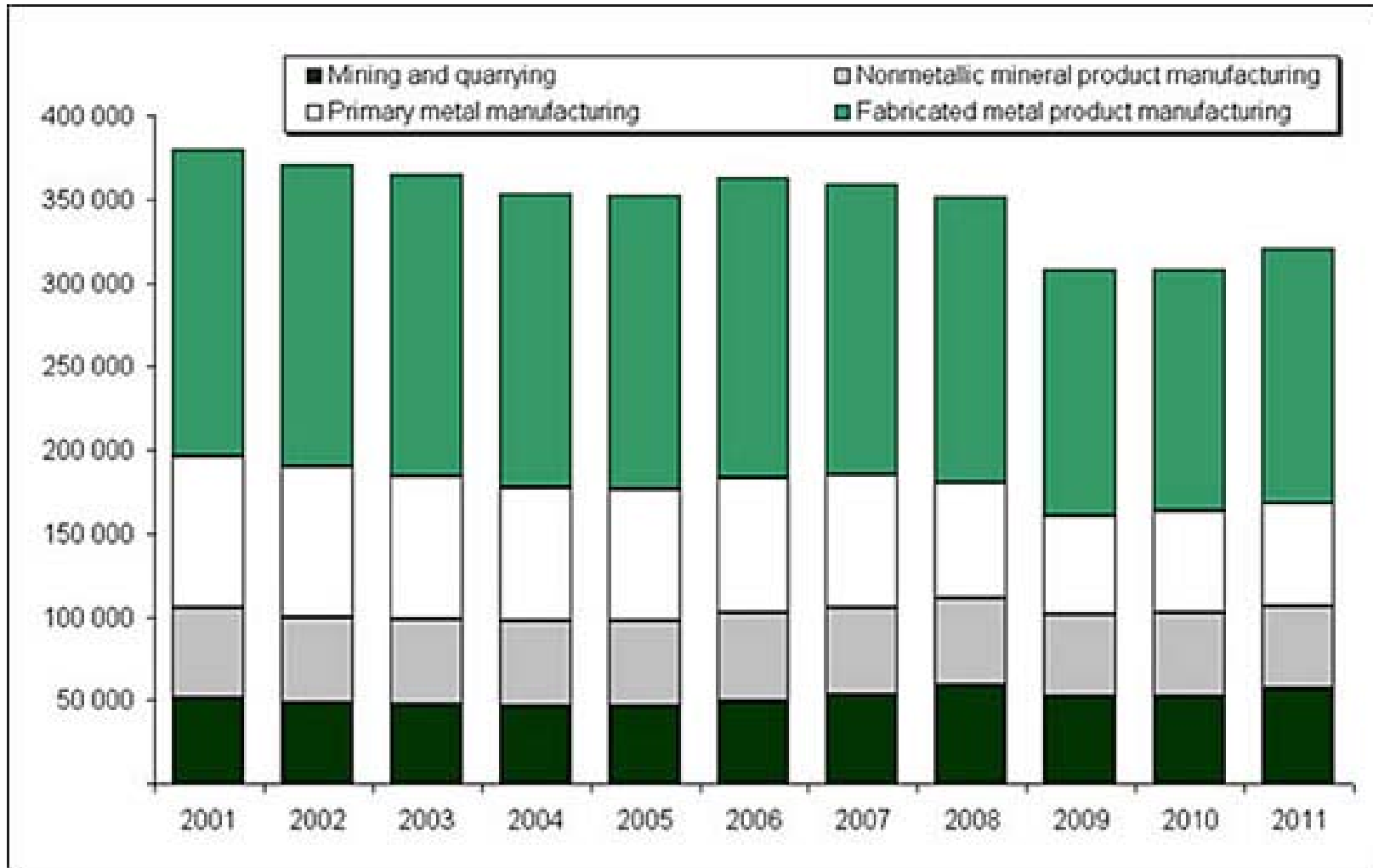
The Copper Journal
Nickel
Week Ending 11/16/12



Mining Jobs

- 56,000 total direct mining jobs in Canada in 2011
- Mineral/metal processing jobs declining
- New mines proposing temp foreign workers

What Boom?



Mining and Mineral Manufacturing Employment

Source: NRCAN <http://www.nrcan.gc.ca/minerals-metals/publications-reports/4477>

**At best Canada has a mild case of the
Dutch Disease and Resource Curse.**



mining = wealth concentrator

- Public resource to private profits
- Large executive salaries
- Public liabilities

BUT

- Pension funds
- Middle-class individual/family investments in mutual funds etc...

The Mining Boom: Who Benefits?

- Mine Employment: + 11%
- Mine Pay: + 33%
- Royalties and Taxes: + 260%
- Investment: + 331%
- After-Tax Profits: + 736%

Who Gets the Profits?

Share of Canadian Mine Profits accruing to
Foreign-Controlled Companies

- 2001: 27.7%
- 2009: 75.6%

Source: Statistics Canada, Corporations Returns Act

Mining Royalties / Mine Taxes Paid to Governments

Province / Territory	Estimated Metal Mining Royalties as % of Gross Production Average from 2006 to 2010
BC	3.34%
SK	Uranium 8%*, Potash 7%
MB	2.77%
ON	1.47%
QC	3.12%**
NB	8.44%
NL	5.28%
NU/NWT	4.8%