

Economic Futures in the Sahtu

There are two different ways the Sahtu Region can develop its economy for the future. One is a mineral, oil and gas extraction economy that relies on non-renewable resources. The other is an economy with smaller community businesses that meet community needs using local skills and know-how



A focus on serving local needs strengthens people and their cultural traditions, provides more lasting and meaningful jobs, and is good for the land. It provides more kinds of jobs, and is focused on strengthening families and community and reducing the cost of living. This is a summary of research that looks at the strengths and weaknesses of these two types of economies (For full report go to www.alternativesnorth.ca)

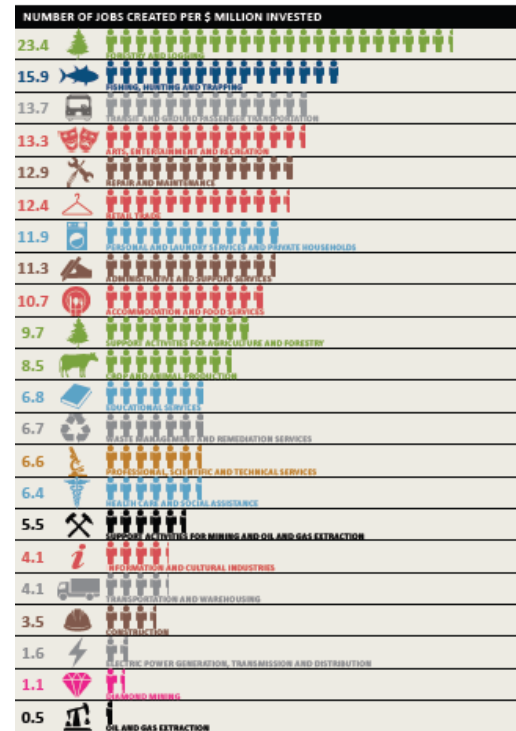
Sahtu Region

Many Sahtu people trap, make arts and crafts and half of the residents hunt and fish. Still, most of the food and fuels are imported from far away and are expensive. The economy has been relying on oil and gas more recently. Most oil and gas jobs go to non-residents rather than local people. With the low oil price today the boom is over and most companies have left. This is a good time to ask “what is the best way to develop our economy?”

Does Oil and Gas Deliver on its Promises?

Oil and Gas Jobs

One way to compare job opportunities of different activities is to look at how many jobs are created when a million dollars is invested into the activity. It turns out that oil and gas investments create fewer jobs per dollar invested than any other industry. Even then, most oil and gas jobs go to non-residents, and local jobs are usually short-term and lower-paying jobs.



Boom or Bust Effects

After the boom activity of exploration and drilling, incomes drop and jobs become scarce. The Sahtu has already experienced this on a small scale.

Is the Sahtu Region at risk?

Many communities and families still struggle with the effects of residential schools, including loss of traditional knowledge, lower education and less ability to take part in either the traditional or industrial economy. The communities are more vulnerable to impacts of booms and busts of oil and gas in economic activity.

Because Sahtu people still rely a lot on traditional activities for food, income, businesses and health, they can suffer unfortunate effects when oil and gas development impacts the land or interrupts the practice of using the land.



We know this from other studies in the NWT. Consultation for the Mackenzie Gas Project identified health, social, education, cultural, employment, justice and housing problems that might arise. While examining the construction of the Norman Wells to Zama pipeline, and the Ekati Diamond Mine in North Slave, researchers saw increased alcohol consumption and alcohol-related crime, reduced well-being, increased child abuse and neglect, family breakdown, and spousal assault.

Building a Balanced Economy

Small and Local Delivers on Jobs

Small, locally-owned businesses create more jobs than big businesses from outside. From the money they make, small community businesses spend more money locally – twice as much as businesses from outside. Governments that want more community jobs and better community economies should support local businesses and cooperatives.

Challenges: Levelling the Playing Field

Instead of helping communities to build local economies, support has largely gone to encourage resource extraction industries. For example, two federal programs alone provided 711 million dollars for the oil businesses in 2008, with additional support at the Territorial level. Training dollars for industry jobs are much greater than for on the land skills or local lasting jobs. Stopping the large give-aways of public dollars to the oil and gas and mineral industries would strengthen local community economic development in ways that provide good support for healthy families.

Challenges: Meeting Basic Needs

People who struggle to simply put food on the table or a roof over their families can't contribute to the community economy. With secure housing, income and food, people will have a foundation for improving their situations and their community economies.

Governments need to put programs in place to ensure these basic needs are met.



Alternatives North