

Alternatives North - Working Analysis
Northern Strategy Discussion Paper
April 2005

General

This is an ideal opportunity for governments to engage civil society in meaningful consultation. Alternatives North is interested in cooperating with the GNWT to ensure that the consultation with civil society is meaningful and fruitful. We are hoping that this is only the first round of the consultation process and that a second draft of the Northern Strategy will be made available for further input.

We have several questions about the nature of the money that is targeted for the Northern Strategy. Is this new money? Or will the money be taken away from already committed funding? The latter should not happen. Are there strings attached to this funding and will it affect our formula funding agreement?

Purpose

The strategy needs to declare that the intended result of this project will be “real and lasting beneficial change.” Obviously, change for change’s sake is no basis for a worthwhile strategy.

Vision

A vision based on the individualistic - essentially American - view that an individual citizen's “self-reliance” should be a first principle is an unacceptable premise for a Northern strategy. Northerners live in small close-knit communities. We know our neighbours and care for each other more so than in more populous regions. We want an economy and society that allows each of us to lead healthy and productive lives in sustainable communities. Self-reliance may be a goal (and even this is debatable) but it is surely not a fundamental part of a Canadian, let alone a Northern vision of how we want to be forced to live.

Collective self-reliance would be a better context in which to frame this document. This would recognize that the history and development of the North has been most successful where people in communities work together for self-sufficiency. Northerners understand and value the importance of public services and a strong, effective social safety net. Our strategy should reflect this.

There is no mention in the Vision of the significant role the voluntary and civil sectors of society play in the life of the North. It is often in partnership with, or following the leadership of, the civil and voluntary sectors that governments “working together” can successfully “build a prosperous, vibrant future for all.”

Principles

Alternatives North suggests that the following principles should guide the Northern development strategy: equity, sustainability, respect for diversity, democratic pluralism, and support for the precautionary and “polluter pays” principles.

To mean anything, “mutually respectful intergovernmental relations” must at least include Northern Premiers being informed in a timely fashion of appointments to Boards that operate in the North, if not consulting with them meaningfully before choices are made! Furthermore, appointments to Boards must respect the right of Northerners to control their own affairs. Qualified members who live in the northern Territories must be appointed to national or territorial Boards. By extension, governments must respect the present incumbents serving on Boards, and when Boards are mandated to recommend appointments to fill vacancies, to choose candidates from among those nominated.

The principles upon which governments base choices about how they should raise revenues to fund needed public programmes should be enumerated in the Northern Strategy. To start with, Northerners would prefer to tax persons with greater ability to pay at higher rates than those who are less able to pay. In other words, Northerners believe that a *more progressive tax system* is a

key principle upon which our collective strategy should be built. Since, under existing Canadian and Territorial law, corporations are considered “persons” too, this principle must also apply to them. Another principle that should underlie the Northern Strategic Plan with regard to taxation - and apply to all taxpayers, individual or corporate - is that everyone pays their fair share. No “person” should be entitled, through loopholes, legal or not, to avoid paying taxes. Finally, the taxes or fees to be paid should be commensurate to the resources they consume or harm they do. It seems a basic principle that the public should be fairly and adequately compensated for the private use of renewable and (especially) non-renewable resources.

Goals and objectives

A very important objective that is missing from the strategy is the need to create a permanent northern “heritage” fund built up through the collection of legitimate taxes and royalties levied on development and export of non-renewable resources. Such a fund should be created now and seeded with funds already being collected by the Federal Government. There should be joint administration of this fund, with a public process of consultation to determine the priorities upon which these funds will be spent. Alternatives North suggests that this fund not be used for personal or corporate tax relief, or for individual pay-outs, but rather to promote economic diversification and financial sustainability.

As responsibility for resources devolves to the Territories, each jurisdiction must continue to contribute to the pool. Northerners must save so that we can prepare for the day a given resource runs out. Failure to prepare will reduce our capacity to weather the inevitable periods of transition which will occur as one sector or development winds down and no replacement is on stream. These situations are made more painful and difficult because *when* they will occur cannot be predicted with any surety, and they are of indeterminate length.

Strengthening Governance, Partnerships and Institutions

Citizen participation and "home rule" are important aspects of Northerners perspective on governance issues. This may include a rational system of public boards and agencies that are

charged with the effective and efficient administration or regulation of appropriate government services. Northerners - including women and low income Northerners - want meaningful participation in the running of public institutions. Local decision-making bodies must be responsible and operate within the framework of national and territorial standards.

In response to the issue of a completion of the expert panel review of Territorial Formula Financing, Alternatives North decries that this activity has been, it seems, removed from the discussions about devolution. These are inextricably linked and the ultimate financing arrangement must be part of any agreement.

Establishing Strong Foundations for Economic Development

The word “Sustainable” should be added into the title statement as a modifier of the word “development.” With serious, planet-threatening climate change looming, no other economic development is acceptable. This would require fair public return for extraction and use of public resources. It would also require the development of policies and regulations that promote sustainability rather than those that establish perverse subsidies. An example of a misguided subsidy is funding for roads over public transit. A good policy initiative would be investment in renewable energy rather than in infrastructure that requires further non-renewable resource development.

To reinforce the point, the concept of sustainability should be added to the second bulleted paragraph, in front of the word “transportation”.

Alternatives North is pleased to see the concept of sustainability incorporated into the “Proposed Goal” statement.

A niche opportunity for economic development that warrants public investment is research and development into cold weather renewable energy technology. A Northern research institute

funded to achieve this end would be a worthy Objective. Additionally, partnerships between renewable energy companies and Aboriginal or other economic development organizations should be assisted. Indeed, we could have joint ventures for renewable energy projects. Renewable energy development, implementation and use can lead to significant and sustainable economic development.

Alternatives North concedes that one consideration in the development of an effective regulatory regime involves efficiency. But we flatly reject the oft heard view that “cutting red tape” and “smaller, less intrusive government” is an end in itself. Governments have an important guardian role to play in protecting the public interest. The precautionary principle must always be the cornerstone of our regulatory regime. As such, the principle should be incorporated into the final bulleted paragraph in this section. As has been proven countless times across Canada and around the world, deregulation and self-regulation are ill-conceived and dangerous to the public interest.

The fourth bulleted paragraph reads, “Advancement of large-scale projects such as pipelines and mines.” Alternatives North believes that large-scale projects - as with any activity - can be beneficial, but they must only happen within socio-economic carrying capacity and the ecological limits of the North. It should not be our strategy to pursue every “opportunity” (especially in non-renewable energy areas) as quickly as possible. In fact, doing so is clearly contrary to the collective interests of Northerners. Uncontrolled, harmful, boom and bust cycles are the inevitable result of such a strategy. In the Northwest Territories there is presently a strong diamond mining industry. It is taxing the capacity of our communities to provide infrastructure and services. Our social safety net is having difficulty coping with the growing need. And our labour force is too small and undeveloped to provide Northerners who can perform the work. In this context, why would we make the “advancement” of a pipeline project a public priority? In addition, the world is about to reach, or perhaps already has reached, peak fossil fuel production. Moreover, hydro-carbon resources will surely only continue to grow in monetary value as time goes by.

Alternatives North also has serious concerns about the environmental implications of rapid advancement of large projects, especially when they are hydro-carbon extraction industries. In

the next section in the discussion booklet, "Protecting the Environment," a number of proposed goals seem to be directly undercut by a pipeline mega-project, at least as presently promoted by industry proponents.

Micro-economic alternatives targeted at women and other low-income people are proven successes in other developing areas of the world and must not be ignored in the North. Lack of access to credit and to small business loans are impediments to entrepreneurship and small business development.

Similarly, co-operatives and credit unions are proven producers of jobs and sustainable economic activity. Public programmes to foster and support such locally controlled initiatives should also be a high priority in a Northern Strategy truly intent on establishing a strong foundation for economic development in our communities.

Protecting the Environment

This entire section is particularly weak and reflects a lack of vision and appreciation of the dire global ecological crisis as illustrated by the recent UN report.

"Engaging" all partners in environmental protection is simply too weak a commitment. Northerners, like most Canadians, want to go much farther than this. The Proposed Goal should be: "To protect, and restore where necessary, ecological integrity and to achieve sustainable communities across the North."

Alternatives North believes that an essential first step towards real protection of the environment is the development of a coordinated, integrated and fully funded suite of environmental management programmes that respect local control but account for the reality that ecology respects no artificial jurisdictional lines. Included must be sound land use planning, environmental assessment, land and water regulation, and monitoring and auditing, all done in cooperation with Aboriginal governments. A new Objective entailing these principles is needed.

Alternatives North is pleased to see that the remediation of contaminated sites is a priority in the draft Strategy. This is a federal responsibility and it should not be transferred to any territory through devolution or other agreements. Moreover, since it is now a federal obligation, none of the new money identified for the implementation of the Strategy should be used for the remediation of contaminated sites.

Alternatives North notes that the Objective relating to climate change seems prepared to accept the process as inevitable, as something to be accommodated, mitigated and adapted to, but not prevented. Northerners, indeed the vast majority of all Canadians, are well beyond this point. Our strategy must reflect the public's desire to minimise further damage in the Arctic from global warming. It must make measures to reverse climate changing activities a priority.

Similar criticism must be levelled at the Objective relating to environmental standards. Current environmental standards are clearly too weak or completely absent or we wouldn't now be in the critical environmental situation we are. An excellent example is air quality where standards are seriously deficient. "Monitoring to ensure environmental standards are maintained" is simply not good enough. Our Objective should be the toughening of environmental protection laws and the strengthening of environmental monitoring infrastructure. Period.

The final bullet in this section concerns the increased use of cleaner energy sources. Alternatives North endorses this position but believes it needs to go further. The Objective fails to mention: support of community energy planning; increased use of renewable energy; the need for a fully integrated and funded environmental management system; programmes to promote the installation of energy saving technologies; or legally-binding land-use planning programmes. All of these should be clearly enunciated Objectives.

Alternatives North supports small-scale run of river hydro-electric projects rather than developments that require impoundments or modification of waterways.

Building Healthy and Safe Communities

The underlying principle for this section must be the absolute priority of relentless efforts to narrow the gap between poor and rich Northerners. This is seen as including measures to address the disenfranchisement of low income families.

Unless they receive separate and specific attention as the focus of an Objective within the strategy, the interests of persons with disabilities and women will once again be lost. A specific Objective stating that the Federal and Territorial governments will use gender and disability "lenses" in programme assessment is essential.

It is a serious deficiency that a section concerned about healthy and safe communities, fails to mention the impact of mega-projects. The need to deal with the well known socio-cultural and health side-effects of large-scale projects (increased addictions, sexually-transmitted diseases, support for families when spouse is away at camp, etc.) as a separate Objective is apparent.

Another bullet is needed to clearly commit governments to a full cost and life cycle accounting approach to the review and regulation of resource development, including implementation of the polluter pay principle. This means full security for final closure and reclamation of all projects as a preventative approach rather than the public purse paying for costly remediation later.

Reinforcing Sovereignty, National Security and Circumpolar Cooperation

Alternatives North endorses the initiatives proposed within this heading. Climate change seems certain to create year round shipping through the Northwest Passage. That access, along with potential oil and gas developments, is sure to complicate Canadian claims to sovereignty.

Security doesn't come only through a military presence but just as importantly, through a long-term public presence, including operations such as scientific research and monitoring stations. The closure of the High Arctic weather stations and associated monitoring programs for short-term fiscal benefit seems particularly short-sighted in the context of the growing difficulties

Canada has with regard to its sovereignty claims in the more remote North.

Preserving, Revitalizing and promoting Culture and Identity

Alternatives North considers the Goals and Objectives elucidated in this section to be as laudable as they are difficult to achieve. Northern governments must truly embrace Aboriginal languages and traditional knowledge through publicly supported programs, services, research and education systems if there is to be any hope of their preservation.

Develop Northern Science and Research

Alternatives North generally subscribes to the Goal and Objectives in this section. We firmly believe that public investment in the development of northern and cold weather science and technology will reap substantial benefits. Of course, such investment must always be screened for the public benefit it represents.

An area where Alternatives North does have some reservations lies in the implications of the third bulleted paragraph, "Addressing knowledge gaps in areas such a geo-sciences and environmental data." Achievement of this goal must go beyond providing more subsidies to the mining industry to look for minerals at public expense. To the extent that accumulated public "knowledge" is used for commercial activities, cost recovering fees-for-service should be implemented.

As mentioned, Alternatives North also supports the concept of a publicly funded northern science centre that would help develop and maintain an independent research and development capacity in the North.