

Re-envisioning the North?

A Critical Socio-economic Assessment of Manitoba Hydro's 2012/13 to 2047/48 Preferred Development Plan

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By

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Outline of Presentation

- Introduction
- Fluctuating support for dams – globally, in Canada and in Manitoba
- World Bank Framework for Benefit-Sharing in Hydro projects
- Description of Manitoba Hydro's Preferred Development Plan (PDP)
- Perspectives on dams and development
 - Key informant interviews
 - Content analysis
- Discussion
- Recommendations

Introduction

- Report is a critical socio-economic assessment of Manitoba Hydro's Preferred Development Plan
 - Focus on northern and Indigenous communities
 - With reference to region north of the Inter-lake.
 - We use a 'good practices model,' key informant interviews and content analysis to assess how well aligned Manitoba Hydro's plans are with northern and Indigenous communities' plans.

- We find:
 - Evidence that the plans are aligned with interests/goals of the Keeyask Cree Nations (KCNs).
 - Also evidence of dissent within these communities
 - Not clear that PDP accords with views of majority of stakeholders' vision for Northern development

Meanings of development

- Market-driven change
- State- or community-guided markets
 - Importance of development in line with a predefined community vision
 - Danger of top-down approaches
 - Feedback effects between energy sectors and overall economy
 - Importance of land to Indigenous communities
- State- or community-based movements against markets
 - Importance of a converging economy
 - Call for Indigenous Anarchism
- Post development
 - View that development projects typically represent continued colonization

Fluctuating support for dams – globally, in Canada and in Manitoba

- Rise of dams in developing countries
 - World Commission on Dams (2000)
- Growth of hydroelectric power in Manitoba
- Negative impacts of damming in Canada
 - Loney (1987, 1995)
 - Niezen (1993)
 - Kulchyski (2008)
 - Northern Flood Agreement (NFA)
- Dams return to favour
 - International standards

World Bank Framework for Benefit Sharing

- ‘A Guide for Local Benefit Sharing in Hydropower Projects’ by Chaogang Wang (2012)
- Now recognized that hydro projects generate substantial benefits
 - Local individuals can share in these benefits.
- Such sharing arrangements can in turn lead to long-term development, if designed by the local beneficiaries themselves.
- Benefit-sharing formally defined as “the systematic efforts made by project proponents to sustainably benefit local communities affected by hydropower investments”.

World Bank Framework for Benefit Sharing (continued)

➤ Framework emphasizes:

1. Stakeholder consultation → Stakeholders include directly and indirectly affected people; displaced and host communities; downstream and upstream communities; local government and central government; indigenous peoples; project proponents, developers, and operators; and NGOs.
2. Monetary benefit-sharing:
 - ❖ Direct payments/revenue sharing
 - ❖ Preferential electricity rates
 - ❖ Community development fund
 - ❖ Equity sharing

World Bank Framework for Benefit Sharing (continued)

➤ Framework emphasizes:

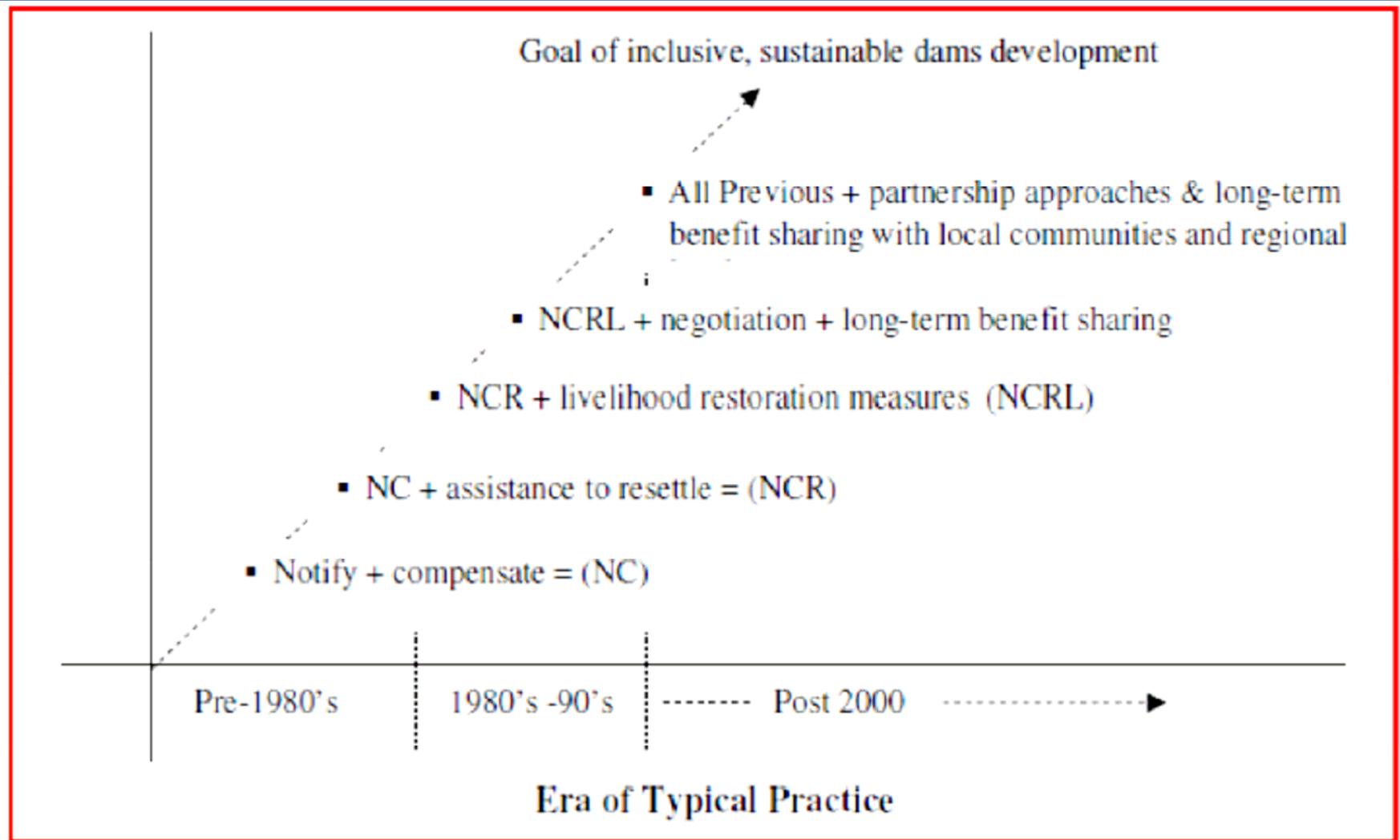
3. Non-monetary benefit-sharing

- ❖ Employment
- ❖ Education/health provision
- ❖ Improved infrastructure
- ❖ Access to fisheries/forests

4. Proper implementation of benefit-sharing

- Transparency
- Monitoring and evaluation
- Capacity building

World Bank Framework for Benefit Sharing (continued)



Manitoba Hydro's PDP

- Demand-side
 - Price of electricity for Northern customers
 - Service disconnections
- Supply-side
 - The Keeyask Project
 - ❖ Referenda held in each Keeyask Cree Nation (KCN) to gauge support for Keeyask
 - ❖ Hydro Northern Training and Employment Initiative (HNTEI)
 - ❖ Adverse Effects Agreements (AEAs)

Manitoba Hydro's PDP (continued)

- Keeyask continued:
 - ❖ Economic benefits:
 - Jobs during construction
 - Investment income for each KCN
 - Business opportunities
 - Spillover effects from increased wages, investment income and business profits in the KCNs
- The Conawapa project
 - To be located in the Fox Lake, Split Lake and York Factory Resource Management Areas
 - 5000 person-years of employment in Northern Manitoba
 - Similar impacts to Keeyask

Perspectives on Hydroelectric Development in Manitoba

- Socio-economic assessment of the PDP based on compilation of stakeholders' views
- High level of contestation regarding dams and Indigenous Peoples.
 - What do we learn from an aggregation of views?
- Methods
 - Key informant interviews
 - Content analysis of Clean Environment Commission (CEC) hearings on Keeyask Project

Perspectives on hydro. dev. (continued)

Key informant interviews

➤ Selection

- Key informants chosen based on close relationship with the proposed Keeyask and Conawapa projects:
 - ❖ Those that live in adjacent communities
 - ❖ Those intimately aware of project details
 - ❖ Citizens concerned with proposed developments
- We attempted to speak to individuals reflecting a wide range of viewpoints.
- Informants disproportionately critical of the PDP
 - ❖ Largely because our request to speak to KCN leadership was unsuccessful
 - ❖ Advised not to speak to government officials.

Perspectives on hydro. dev. (continued)

➤ Key informant interviews

- Questions:
 - ❖ Do you support the PDP and why?
 - ❖ What do you think about the consequences of the PDP on your community's economy?
 - ❖ What do you think about the consequences of the PDP on your community's socio-economy?
 - ❖ What do you think about the consequences of the PDP on your community's health?
- Location of interviews - 7 individuals interviewed in Winnipeg, 6 in Gillam and 7 in Thompson.

Perspectives on hydro. dev. (continued)

➤ Key informant interviews: Results

- Prominent issues raised by informants were:
 - ❖ Demand Side Management (DSM) is a particularly efficient plan from an economic perspective
 - ❖ Large economic benefits may arise from the PDP
 - ❖ There is a lack of knowledge regarding how well aligned are the plans and the needs and assets of northern and Indigenous communities, in general
 - ❖ Conawapa does pose strong environmental risks

Perspectives on hydro. dev. (continued)

- ❖ The approval process of the Keeyask project was not sufficient
- ❖ Approval of the PDP seems inevitable
- ❖ High electricity costs in the north are unfair when hydro development is occurring in the North
- ❖ A better model for hydro development than Keeyask exists
- ❖ The PDP may result in social, environmental and economic upheaval

Perspectives on hydro. dev. (continued)

➤ Key Informant Interviews relative to Meanings of Development categories:

- Market-orientated key informants
 - ❖ PDP provides best opportunity for economic prosperity
 - ❖ Will bring much-needed jobs to the North
 - ❖ Will entail that more younger people will stay in the North
 - ❖ Will stimulate business opportunities
- Managed market perspective:
 - ❖ Need for an improved Keeyask model
 - ❖ Manitoba Hydro should ensure lower electricity bills for Northern customers

Perspectives on hydro. dev. (continued)

- Anti-market perspective:
 - ❖ Resentment over concentration of benefits of hydro. development among southerners
 - ❖ Fear of harmful social effects
 - ❖ Expectation of few economic benefits from PDP in the North
- Post development
 - ❖ Keeyask as out of touch with Northern aspirations
 - ❖ Potentially harmful to culture and community

Perspectives on hydro. dev. (continued)

Content analysis

- A content analysis is “an examination of various documents and texts, which may be printed, visual, aural, or virtual” (Bryman (2009))
- Material from 2013 Clean Environment Commission (CEC) hearings on Keeyask Generation Project
- Identification of key themes associated with project proponents and dissenting presenters
- Identified key quotes related to assessment of the Keeyask Project as a development project.
 - Total of 298 quotes identified
- Quotations then compiled into project proponent quotations and project dissenter quotations
- 4 key themes identified

Perspectives on hydro. dev. (continued)

- Quantitative analysis - number of times keywords mentioned
- Participants divided into:
 - ❖ Project proponents: The Keeyask Hydropower Limited Partnership (KHLP): Manitoba Hydro, Tataskweyak Cree Nation, War Lake First Nation, Fox Lake Cree Nation, and York Factory First Nation collectively
 - ❖ Project dissenters: Some traditional land users, Elders, northern and Indigenous community members.

Perspectives on hydro. dev. (continued)

➤ Content analysis results: Project Proponents

- A new and more participatory era
 - ❖ Acknowledgement of past harms caused by hydro developments
 - ❖ Manitoba Hydro's new approach to resource development
 - ❖ Partnership leading to benefits to adjacent communities and to the effectiveness of the project.

“In short, for the first time in history finally, we are part of the process, not the object of the process. We are partners in this project because for the first time in history, this is not their project, but theirs and ours. That is the revolutionary concept”
(Mr. Neepin, Keeyask Hearing, Oct. 21, 2013)

Perspectives on hydro. dev. (continued)

- Content analysis results: Project Proponents
 - Positive benefits for Indigenous Peoples
 - ❖ Benefits to future generations
 - ❖ Economic benefits
 - ❖ Social benefits
 - ❖ Environmental benefits

“Keeyask will allow us to join the mainstream of Manitoba's economy, to build a future of hope that will sustain our cultural integrity and our Cree identity, and will significantly contribute to our economic prosperity.” (Chief Kennedy, Keeyask Hearing, Oct. 21, 2013)

Perspectives on hydro. dev. (continued)

- Content analysis results: Project Proponents
 - Moral challenges associated with the project
 - ❖ Negative impact of past hydro projects
 - ❖ Difficult decision to make

“ it is our job is to make sure that these articles are implemented as we understand them. And how it could benefit us as a First Nation in the future.” (Chief Garson, Keeyask Hearing, Oct. 8, 2013)

Perspectives on hydro. dev. (continued)

➤ Content analysis results: Project Proponents

- A new and progressive model

- ❖ Paradigm shift

- ❖ Simultaneous application of western science and Aboriginal worldview and knowledge

- ❖ Cree environmental stewardship

- ❖ Participation of First Nations in planning

“The KHLP is a business investment. It was not conceived as the ‘best’ or the ‘only’ way to bring prosperity to four First Nations. It was not intended to solve all of the social and economic challenges faced by those communities. But it is predicted that it will provide revenue in due course that will facilitate funding effective responses to those challenges”

(KHLP Final Argument)

Perspectives on hydro. dev. (continued)

- Content analysis results: Project Dissenters
 - Negative impacts on people
- ❖ Contested vision or meaning of development
- ❖ Potential harm to families and communities
- ❖ Negative impact on physical/psychological health
- ❖ Deep negative spiritual impact
- ❖ Challenge to Aboriginal and treaty rights

“My soul hurts and is dying. I feel as though I'm mourning everyday while being on the lake and the land... To live the life we live as First Nations people being as connected to the water and the land as we are. You killed the land. You killed the water. You killed the fish. You killed the Indian.” (Mr. Spence, Keeyask Hearing, November 14, 2013)

Perspectives on hydro. dev. (continued)

- Content analysis results: Project Dissenters
 - Negative impact on the environment
 - ❖ Keeyask Project represents a fundamental challenge to Indigenous notions of environmental stewardship
 - ❖ Uncertain environmental impacts
 - ❖ Damage to the physical landscape
 - ❖ Negative impact on animals

“We are one with this land. We are one to this water. We are one to these animals. We are also one to the very life and fiber of such an ecological destruction that is happening, so we die inside....It is our land. It is our duty to protect our land. If we fail to protect our land, then we fail to protect who will come along, because we are simply borrowing from our children” (Mr. Monias, Keeyask Hearing, Oct. 9, 2013)

Perspectives on hydro. dev. (continued)

➤ Content analysis results: Project Dissenters

- Uncertainty about tangible benefits for local people

- ❖ Uncertainty of benefits

- ❖ Inequity of benefit distribution

- ❖ Who is benefiting from hydro development?

“I was sitting there almost in tears, but mostly with anger because nobody ever really listens to us out there. We are hurting here. Hydro is not free. We pay for the brunt of the Hydro. The cost of Hydro in our communities is outrageous.”

(Ms. Beardy, Keeyask Hearing, Oct. 8, 2013)

Perspectives on hydro. dev. (continued)

- Content analysis results: Project Dissenters
 - Recognition of past harms and concern for future generations
 - ❖ Positive memories of pre-hydro period
 - ❖ Past harms associated with previous hydro projects
 - ❖ Inadequate compensation for past harms
 - ❖ Hope for improved outcomes from future hydro development

“They come here to work and think we are stupid, drunk Indians and are too lazy to work. They don't see the people cutting, hauling wood, fishing, hunting, trapping, and keeping a full-time job. (Mr. Massan, Keeyask Hearings, December 9, 2013)

Discussion - Assessment of PDP relative to WB framework

Strengths

- ❖ Quantity of stakeholder consultation
- ❖ Partnership between the KCNs and Manitoba Hydro
- ❖ Non-monetary benefits – Employment; Training
- ❖ Monetary benefits – Preferred equity option

Weaknesses

- ❖ Quality of stakeholder consultation
- ❖ Monetary benefits - No benefit-sharing with non-KCN communities; High electricity bills for Northern residents
- ❖ Non-monetary benefits
 - No support for education → boom-bust nature of employment
 - AEAs may not fully compensate for harms

Discussion (continued)

- ❖ Employment generated by the PDP should be viewed with caution given that:
 - Northern residents may obtain predominantly lower-wage positions
 - Short duration of employment
 - Training for designated trades
 - Turnover rate for Northern Aboriginal workers
 - HNTEI has now ceased
 - Training did not include sufficient education upgrading and life skills training (Deloitte (2013))

Discussion - Content Analysis Relative to the World Bank Framework

- ❖ CEC participants expressed views on benefits, costs, risks and opportunities of the Keeyask project.
 - Gulf between views of 'dissidents' and strong proponents
- ❖ Evidence that principles of World Bank benefit-sharing framework not met
 - Principled negotiation likely to bring an improved model (Fisher and Ury (1981)).
 - Based on common interests of stakeholders
- ❖ World Bank framework notes that benefits, costs, risks and opportunities of the PDP should be evenly shared.
 - At issue are distributional considerations

Recommendations

- 1. Establish a vision and long term development plan for Northern Manitoba**
 - ❖ The Manitoba government must take seriously the need for a long-term development plan for northern Manitoba.
 - The plan must include northern and Indigenous community participation
 - And identify needs, assets, interests, and goals in the short to long run
 - ❖ Monetary benefit-sharing is especially beneficial when it finances activities under a pre-existing local development plan (Wang (2012), page 20).
 - ❖ A long-term development plan would provide a meaningful goal for hydro development in northern Manitoba for the next 10-30 years.

Recommendations

- 2. Approach to hydro development must move to a good practices developmental model**
 - ❖ Compensating local people for harm caused is insufficient
 - ❖ If Manitoba Hydro's plan benefits southern Manitobans, it must also benefit residents near and affected by the dams (past and present).

Recommendations (continued)

- 3. Monetary benefit-sharing should be extended to all dam-affected communities in the North**
 - ❖ Revenue from electricity sales or from water rental tax revenue could be shared with communities other than the KCNs.
 - ❖ This could improve the chance that the PDP leaves a positive legacy.

- 4. Enhance non-monetary benefit-sharing in the PDP**
 - ❖ Funds should be set aside for education, housing or other non-monetary benefits that Northern communities deem to be important for long-term prosperity.

- 5. Details of benefit-sharing arrangements must be transparent to all stakeholders.**

Recommendations (continued)

6. **Rate mitigation and demand-side management should include a focus on Manitoba's North.**

- ❖ The PDP will see further hydroelectric development in the backyards only of those in Manitoba's North.

7. **Establish an ongoing community development department within Manitoba Hydro**

- ❖ Department would be staffed by professional community and Indigenous development workers.
- ❖ Mandate would be to maintain an ongoing relationship with communities affected by hydro dams and transmission.