EMPLOYMENT RELATIONS IN THE NEOSTAPLES RESOURCE ECONOMY: IMPACT BENEFIT AGREEMENTS AND ABORIGINAL GOVERNANCE IN CANADA’S NICKEL MINING INDUSTRY

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Introduction In earlier issues of SPE, Watkins¹ and Stanford² argue that resource development continues to be central to Canada’s economy, despite drastic structural changes over the past three decades. They note that ever-larger natural resource firms are using highly mobile workforces to produce commodities for export rather than domestic manufacturing, and that fewer benefits are accruing to local communities. The narrative developed is that these changes mark a shift away from the once-prominent mature staples political economy theorized by Watkins³ in which governments provided firms with access to natural resources in exchange for royalties, commitments to employment, and infrastructural development in rural areas. These arrangements resulted in the creation of resource-dependent communities throughout Canada, and also promoted economic diversification through expanded secondary manufacturing. Alternatively in what we term the “neostaples” economy, Stanford and Watkins maintain that resource rents are increasingly concentrated in the hands of foreign investors rather than governments, employees, and resource-dependent communities. In addition—and perhaps the reason these changes warrant attention from labour scholars—the neostaples political economy has proven to be a challenging one for collective representation. Whereas unions in the mature staples regime provided a large number of workers with a voice in the workplace and the ability to capture increasing shares of resource rents in
wages and benefits, unions in the neostaples regime have been relegated to defending a smaller proportion of workers—since new operations are increasingly non-union—against encroachments on worker wages, benefits, and union power.

What this account of declining local influence over resource development and employment has not paid due attention to, however, is that the participation of northern Aboriginal peoples in resource industries has increased over the past three decades. As noted by Watkins and others, colonial relations formed the basis of staples development in both the early and the mature staples periods. The privatization and commercialization of resources disrupted indigenous economies in the early staples period, and colonial policies and racism barred many Aboriginal people from equal participation in the developing capitalist economy thereafter. Though Aboriginal people often worked for wages in resource industries, they were typically confined to poorly paying seasonal jobs and excluded from many of the unionized jobs that characterized the mature staples period. Resource rents captured locally (within Canada) therefore flowed predominantly to non-indigenous workers and to residents in more southern regions.

This pattern began to shift as large-scale resource development in the north triggered legislative and political protest, resulting in the recognition and definition of Aboriginal rights. To preclude Aboriginal opposition to development, governments began to resolve outstanding Comprehensive Land Claims (CLCs) and corporations began to forge Impact Benefit Agreements (IBAs) with Aboriginal communities. As private contracts, IBAs fall outside of the environmental and labour regulatory infrastructure of federal, territorial, and provincial governments. IBAs have become the primary mechanism used by Aboriginal groups to secure local benefits from resource extraction in their territories. In that negotiated benefits typically include employment opportunities, IBAs also provide Aboriginal peoples with a governing role in employment relations.

Juxtaposed with declining union power, IBAs play a crucial role both in providing local populations with a voice in development and in ensuring that resource rents are shared locally. Notwithstanding the discernible benefits of this new institutional context—namely, the partial remedy of neocolonial patterns of resource development—the emergence of IBAs raises
important questions. IBAs have been criticized for their confidentiality, for their poor enforcement mechanisms, and for the restrictions they place on Aboriginal peoples’ ability to participate in formal regulatory processes such as environmental assessments (EAs). Yet, although employment is a key component of IBAs, there is little research that asks how the governance of employment has changed in a neostaples environment and what the implications of these changes are for northern resource workers.

To better understand employment relations in the neostaples stage, we draw on a case study of the Voisey’s Bay nickel mine and concentrator in Labrador, Canada, which is currently owned by the Brazil-based Companhia Vale do Rio Doce (hereafter Vale). Though it is located in lands formerly used and occupied by both the Labrador Inuit and the Labrador Innu Nations, we limit our analysis to Inuit governance. We characterize employment at the mine as neostaples because it is governed by an IBA and because the organization of production and work diverges from traditional Fordist employment regimes in its extensive use of subcontractors and “fly-in, fly-out” work arrangements. However, the mine retains some elements of mature staples industries. Most notably, the workforce is represented by the United Steelworkers of America (USW), a union with a long history of organizing and representing mining workers in Canada.

This paper proceeds as follows: we begin with a review of the literature on the political economy of natural resource extraction that describes a shift beyond a mature-staples stage. We then describe the increasing participation of Aboriginal peoples in resource governance and argue that it is a key feature of a neostaples political economy. This is followed by an empirical analysis of employment relations and workplace governance at the Voisey’s Bay nickel mine and concentrator. Our results suggest that while Aboriginal institutions have helped to relocalize the governance of employment in the neostaples political economy, the empowerment of northern workers is constrained by the internationalization of labour practices and the concentration of capital in the mining sector. We conclude by commenting on the roles of unions and Aboriginal governments in ensuring that northern communities capture employment benefits from development. In so doing, we engage with a developing literature that seeks to reconceptualize and modernize staples theory.
The Staples Political Economy in the Twenty-first Century  Resources have played an important role in Canada’s development, and the staples thesis advanced by Innis\(^{11}\) and Mackintosh\(^{12}\) has had continuing influence in political economy. The staples thesis describes how the Canadian economy developed around the extraction and export of natural resources (e.g., fish, fur, wheat, timber, minerals, and hydroelectric power) and cautions of the “staples trap” in which an over-reliance on the export of minimally processed natural resources impedes economic diversification and subjects the afflicted nation (or region) to the vagaries of internationalized commodity markets and political dominance of foreign investors. However, when theorizing the Canadian political economy after the Second World War, Watkins\(^{13}\) revised Innis’s original thesis and proposed that it is possible for staples economies to diversify. With government intervention, resource rents from the export of natural resources can be diverted into wages and investments that support forward and backward linkages in related industries.\(^{14}\)

Unions played a key role in governing employment in many resource industries—particularly mining—during the mature stage of the staples political economy. The public ownership of resources, labour legislation, and successful strike tactics helped unions establish a foothold in natural resource and heavy manufacturing industries during the 1940s and 1950s. Though firms maintained adversarial relationships with unions, they were compelled to improve wages, benefits, and working conditions to avert strikes and capitalize on their frequent dominant position in expanding continental markets.\(^{15}\) As a result, workplace governance in the mature stage of the staples political economy featured highly defined work arrangements, job hierarchies, and strict separation of union and management functions and responsibilities similar to the “job control unionism” described by Piore and Sabel.\(^{16}\) Furthermore, resource-based firms often established themselves as the central underlying economic force in cities and towns across Canada’s hinterland. Multiplier effects and direct employment in industry towns provided significant benefits to non-Aboriginal Canadians on local, provincial, and national scales.

From the mid-1970s onwards, however, waves of restructuring weakened union influence in many resource industries. Hayter and Barnes looked to staples theory to describe the sweeping effects of restructuring on workers
in forest-dependent communities. They suggested that pre-existing unequal economic and political relationships between British Columbia’s hinterland and metropole accentuated the effects of restructuring, rendering hinterland communities vulnerable to decline in ways that more diversified centres were not. By the early 1990s, a series of successive cyclical downturns and technological developments had led to large-scale job losses and mill closures in coastal British Columbia. Furthermore, foreign ownership, the implementation of functionally flexible work systems, and the outsourcing of logging and silviculture activities weakened the position of unions in the governance of resource employment. By recounting the effects of internationalization and restructuring in the forest industry, this literature foregrounded a larger shift in resource development employment. The forest industry experience is mirrored by many mining communities in Canada.

More recently, several scholars have questioned the continued importance of staples in the Canadian political economy. Writing just before western Canada’s resource boom, Howlett and Brownsey argue that the economy has evolved past its mature stage and that Canada is becoming a “poststaples” state. This poststaples state features severe cost and supply pressures that lead to the contraction of once-important natural resource industries, growth in metropolitan shares of employment and population, and economic diversification in both urban and rural areas. The authors recognize, however, that resource development continues to be important in some regions, where it has changed qualitatively. They suggest that resource governance is now more participatory and democratic than previous staples development because it incorporates multiple interests, such as those of environmentalists and Aboriginal peoples.

Other writing that emerged simultaneously is critical of the poststaples thesis. Both Stanford and Watkins describe how staples persist as a central feature of the Canadian economy. They suggest that instead of enduring past the mature stage, Canada’s economy has regressed to an earlier stage of staples production. They describe how staples are increasingly extracted for export as raw commodities rather than being processed for local consumption and harnessed for economic diversification. In the case of oil, Watkins suggests that the flow of Alberta oil to the United States rather than to Canada’s eastern provinces has maintained high oil prices that have caused...
declines in domestic manufacturing. Both authors also focus on the role that foreign capital plays in capturing and exporting economic rents (or super-profits) that would otherwise be invested regionally, or at least domestically. In particular, Stanford emphasizes that the unprecedented resource boom led to foreign takeovers, currency overvaluation, and crises in the domestic automotive assembly and parts manufacturing sector. He also describes how many regions of Canada have been led back into the staples trap(s) that policymakers have sought to escape since the 1960s. Even Hutton's and Wellstead's works—appearing in Howlett and Brownsey's edited collection—are somewhat inconsistent with the editors’ conceptualization. They write that a poststaples political economy is not necessarily a nonstaples one and that some provinces remain staples dependent. In light of the above, we posit that Canada's political economy is better characterized as neostaples.

Concerned with the distribution of surplus among nations, and to some degree classes, Watkins and Stanford suggest that the governance of Canada's resource industries is changing to the detriment of workers and all Canadians. In drawing attention to international relations and the foreign dominance of resource development in Canada, however, they neglect the internal colonial relations that have long governed resource extraction in Canada. The authors’ descriptions of the offshoring of benefits from staples development do not consider how Aboriginal peoples have increased their share of benefits within Canada. This omission is notable since the governance of all activities in the near and far north has changed over the past 40 years as Aboriginal peoples have increased their jurisdictional authority.

Aboriginal Peoples and the Governance of Resource Development

Over the past half century, Aboriginal peoples have gained recognition of their proprietary interests over territory through a variety of channels. Prompted by the expansion of resource development in the provincial and territorial norths, burgeoning Aboriginal political organizations, and changes to the Indian Act, Aboriginal groups staged protests, filed land claims, and initiated court challenges to gain recognition of their rights to resources and lands charted for development. Several interrelated and concurrent developments in law and policy provided for increasing Aboriginal influence over resource development. These include the increasing consideration of
Aboriginal peoples in EA policy, legal decisions surrounding Aboriginal rights and the Crown’s fiduciary duty to consult with Aboriginal communities, and the resolution of Comprehensive Land Claims Agreements in territories not previously ceded. Each of these developments generated uncertainty over the rights to lands and their use and therefore was seen as a hindrance to development. The solution adopted by capital was to minimize risk by entering private agreements with Aboriginal governments that provide the corporation with a social license to operate.

As resource development expanded in Canada’s north throughout the 1970s, Aboriginal groups increasingly asserted their rights to territory and resources. In addition to filing land claims through provincial and federal policy channels, First Nations and Inuit associations sought legal recognition of their rights to lands and resources by filing injunctions against development and by testing the existence of Aboriginal title in the Canadian legal system. The legal actions of several First Nations resulted in Supreme Court decisions that recognized the existence of, and later began to define, Aboriginal title. In 1973, the Nisga’a people in British Columbia tried to assert that their title had never been extinguished. Although judges were split on the final decision, which was dismissed on procedural grounds, the case established the possibility of the concept of Aboriginal title in law and became the impetus for the development of the modern federal land claims process. Aboriginal rights were later affirmed in Section 35 of the 1982 Charter and the concept of Aboriginal title was further defined through the 1997 Delgamuukw decision. These developments solidified the government’s responsibilities both to consult Aboriginal peoples in the case of potential breaches of treaty or Aboriginal rights and to reconcile Aboriginal claims with Crown title. The affirmation of these responsibilities provided for increased Aboriginal participation in resource management and development.

Accordingly, EAs have evolved to increasingly reflect Aboriginal concerns. Most EA legislation now requires that the effects of development on Aboriginal peoples be considered, and encourages communication and dialogue with affected communities. Through the consultation process in EAs, Aboriginal groups are able to voice their concerns about threats to health, social and economic well being, subsistence and commercial resource
harvests, transportation routes, and culturally sensitive areas. Although the EA process conforms to Western norms, it has been used to articulate the demand that resource development benefit local populations and provide employment opportunities.36

Another influence on resource governance has been the resolution of CLCs. As the courts began to recognize the legitimacy of the concept of Aboriginal rights, federal and provincial governments established processes to negotiate unresolved CLCs.37 The CLCs resulted in a proliferation of Aboriginal treaty settlement lands and Aboriginal governance institutions across the north.38 By virtue of their frequent association with self-governance agreements and the need for new institutions to manage Aboriginal lands, resources, and financial assets, institutions resulting from modern-day treaties have begun to resemble a third order of Aboriginal government, albeit one with limited powers.39 In many cases, CLCs resulted in the creation of joint resource management boards: governing bodies that allow provincial and territorial governments to share responsibility for resource management with Aboriginal governments in their traditional lands. In defining Aboriginal ownership over surface and subsurface resources and through the creation of settlement lands, where Aboriginal governments have greater authority, CLCs have provided a greater governing role for Aboriginal institutions. Although institutional arrangements resulting from CLC processes are extraordinarily diverse across Canada, the remapping of northern political boundaries and institutions has increased Aboriginal peoples' governance over resource development.40

In historic treaty lands or lands without CLCs, Aboriginal governments have also leveraged their connection to their territories to implement economic and social development strategies that place constraints and conditions on proposed developments in their treaty lands or traditional territories. Legal developments recognizing Aboriginal rights to continued use of resources established the Crown’s fiduciary duty to consult with Aboriginal peoples in cases where these rights may be infringed upon by past or future development. In addition, institutions resulting from a myriad of self-government processes have begun to fulfill state functions such as promoting business development, sponsoring education and training programmes, and enforcing equity hiring in the private and public sectors.41
Legal developments and political struggles over Aboriginal rights, treaty implementation, unresolved claims, and EA processes have indirectly deepened the influence of Aboriginal groups over employment by compelling resource development firms to negotiate supraregulatory agreements such as IBAs. Recognizing that securing investment requires positive relationships with Aboriginal communities, corporations now negotiate IBAs voluntarily. As legally binding contracts, IBAs provide corporations with greater certainty about their investments by ensuring that development is not halted by Aboriginal blockades or court injunctions resulting from an unclear property system. IBAs have also begun to supersede EAs or other forms of state governance in importance and have become the “primary means of establishing a formal relationship between the project developer and local people.” Since IBAs contain clauses prohibiting Aboriginal groups from opposing development, companies often prefer these private agreements to the uncertain results of public process. In exchange for a guarantee that they will not halt development, Aboriginal groups receive royalties, subcontracting opportunities, and employment. IBAs often include detailed provisions for hiring, promotion, and access to training and have become the principal way that Aboriginal governments or administrative authorities regulate employment. Aboriginal governments and organizations therefore have gained governance in resource development in both employment and economic development through corporate partnerships and Aboriginal businesses.

The literature surrounding IBAs is silent, however, about employment relations and workplace governance. More specifically, little research examines the employment provisions in IBAs in the context of the governance of modern natural resource industries. The increasing role of Aboriginal peoples in employment governance is embedded in this context. We draw on a case study of the nickel mine at Voisey’s Bay in Labrador to describe the ways in which employment governance is changing in the neostaples environment, influenced both by an IBA and by the internationalization of the mining industry.

**Case Study: Workplace Governance at Voisey’s Bay** In 1993, Diamond Fields Resources discovered massive nickel deposits within the traditional territories of the Labrador Inuit and Labrador Innu at Voisey’s Bay. Diamond
Fields was acquired in 1996 by the Voisey’s Bay Nickel Company (VBNC), a subsidiary of Inco, despite unresolved land claims filed by the Labrador Inuit and Labrador Innu in the 1970s. Throughout the 1990s, the Labrador Inuit Association (LIA) asserted territorial rights through a court injunction and held protests to ensure that an EA was conducted prior to construction. The LIA made sure that progress was being made on the negotiation of their land claim and that they had adequate leverage to negotiate an IBA. Since the EA process overlapped initially with an Inuit land claim and IBA negotiations, these processes were all mutually referential. Throughout the EA hearings, VBNC representatives stated that certain topics could not be discussed in depth because they were being negotiated in the IBA. The EA process also established the adjacency principle, which guided the order of preference for hiring in the final IBA.46 Lastly, the Land Claims Agreement included a requirement that an IBA be ratified prior to construction of the mine and mill complex at Voisey’s Bay and prior to any future development in the Labrador Inuit Settlement Area.47

The Labrador Inuit Association signed an IBA with VBNC in 2002 when it was confident that its land claim was secure. This IBA became the primary instrument used by the Nunatsiavut Government to influence the employment at Voisey’s Bay. Construction of the mine and concentrator began shortly after the ratification of the IBA, and the first ore was processed and shipped in August 2005. The Labrador Inuit Land Claims Agreement was signed that same year, creating the Nunatsiavut Government, which replaced the LIA. Shortly after the mine and concentrator opened, the United Steel Workers (USW) became the bargaining agent for workers employed directly by VBNC. In the four years that followed, workers employed by five of six subcontractors voted to join the USW. Each contractor was organized into a separate bargaining unit within the same local as VBNC employees. For a detailed timeline, see Figure 1.

Our case study draws on interviews with 27 key informants and 36 workers involved in the operations phase of Voisey’s Bay.48 Interviews were conducted during the spring and summer months of 2009, 2010, and 2011, and all but five interviews were conducted in person in Nain, Goose Bay, or St. John’s. The research incorporated participatory methods in that the overall direction of the research was guided by consultations with the
Nunatsiavut Government. Inuit advisors and research assistants also helped
construct the interview schedules, select and recruit interview subjects, and
verify results. Interview subjects were recruited through word-of-mouth
referrals from Inuit advisors and Nunatsiavut Government representatives,
using snowball sampling, and from picket lines during the 2009–2011 strike
between the USW and Vale. Worker interviews were semistructured.
Individuals were asked about their perceptions regarding employment
relations and workplace governance as they related to the IBA, the USW,
and their employer(s). Interviews with key informants were open-ended
and designed to elicit relevant information from the participants. The inter-
viewed workers were members of the USW local and represented different
bargaining units. Aboriginal people and women were over-represented in our
sample of workers, making up 72% and 36% of interviewees respectively,
compared to their representation in the total workforce in January 2009 of
51.5% and 21% respectively. Of the Inuit workers sampled, just over one
third resided in Nain, the northernmost fly-in Inuit community on the
Labrador coast. Key informants include representatives and staff from the
USW, current or former representatives of the Nunatsiavut Government,
managers or owners of affiliated contractors, managers employed directly by VBNC/Vale, politicians, and other representatives of regulatory or developmental agencies.

The Internationalization and Relocalization of Employment Two influences distinguished the governance of employment at Voisey’s Bay from that which would be predicted by a mature staples model. Inuit and Innu IBAs exerted a relocalizing influence on employment, while industry concentration and the global convergence of mining labour practices exerted an internationalizing influence. We believe that these contradictory relocalizing and internationalizing forces are characteristic of resource employment in the neostaples political economy.

Throughout the 1950s and 1960s, Canadian mining firms held dominant positions in North America and played an instrumental role in providing the United States with security of supply in several strategically necessary minerals (e.g., nickel and uranium). National unions had the leverage to influence employment relations, but this structure began to unravel in the 1970s as trade liberalization and reduced travel costs increased global competition. Since this time, Canadian ownership in several segments of the mining industry has diminished. Large multinational firms such as Vale (Brazil), BHP Billiton (Australia), Xstrata (Switzerland), and Rio Tinto (UK) have expanded the size and scope of their Canadian portfolios by acquiring competitors in order to gain control over market share and capitalize on amplified commodity price cycles. This is particularly evident in nickel mining, where, until recently, homegrown firms Inco and Falconbridge controlled not only the majority of Canadian nickel production, but a significant proportion of the global market as well.

According to Dansereau,50 the expanding global reach of mining companies has led to a convergence of labour practices. In disparate regions, from Africa and South America to Canada and Australia, mining has become increasingly capital intensive. Firms have increased labour productivity by investing in new technology, intensifying work practices, and employing fewer, more highly skilled workers. These changes have also shortened the lifespans of mines. In many regions, it became more cost effective for firms to use long-distance commuting arrangements (i.e., fly-in, fly-out mines) to
staff their operations than to sustain permanent communities in remote areas. In addition, mining companies worldwide have made increasing use of subcontractors to provide staffing-level flexibility while reducing labour costs and union power. These changes have altered employment relations and workplace governance. Unlike their counterparts in permanent communities, the managers of fly-in, fly-out mines are responsible for transporting workers to and from the site of production. Management’s control over access to the worksite facilitates control over workers. Fly-in, fly-out mines therefore have proven particularly difficult for union organizing because management’s control over transportation and communication infrastructure often severely limits communication among union representatives and employees.

The VBNC was not exempt from these trends. The open pit mine at Voisey’s Bay was designed to be capital intensive, and in 2011 it produced 69,000 tonnes of nickel with approximately 450 employees. Labour was organized on a two-week rotation and the majority of workers were employed by subcontractors rather than the VBNC proper. In October 2006, Vale acquired Inco for C$18.9 billion. Originally established as the independent but integrated corporate subsidiary Vale-Inco, the parent firm has since shortened the name to Vale and concomitantly reduced the autonomy of Canadian managers and executives. The 2006 Vale takeover represented a further internationalization of labour practices. The greater size of Vale sheltered the company from the negative economic effects of strike action at any operation. Additionally, the company implemented centralized human resources systems and introduced an adversarial managerial approach common in its other locations. The latter was evident in the lengthy strike at Voisey’s Bay between August 2009 and January 2011.

Employment governance at Voisey’s Bay was also shaped by Inuit and Innu desires for local employment benefits. Labrador Inuit, organized through the LIA, were able to translate their continuous use and occupancy of the Voisey’s Bay lands into employment opportunities outlined in an IBA. The agency of Aboriginal groups added a local dimension to resource development policy in the province. As it had in the past, the Government of Newfoundland and Labrador sought to use the Voisey’s Bay development to bolster provincial employment and promote economic diversification,
adopting an interventionist strategy that placed constraints on company activities to ensure that jobs, contracts, secondary processing, and related activities remained in the province. However, the government overlooked the distinct status of the Inuit and Innu of Labrador and their rights to benefit from development on their traditional territories.

Separated geographically, politically, and culturally from the predominantly non-Aboriginal population on the island of Newfoundland, the LIA acted to ensure that resource development occurred only if its land claim was resolved and provided substantial benefits for Inuit. The eventual IBA outlines targets for Inuit employment and establishes an order of preference for hiring and promotion and layoffs. As a result, Inuit beneficiaries from Nain are the first considered for employment, followed by other Inuit on the coast, Innu and Inuit elsewhere in Labrador, and finally beneficiaries living outside of the province. The IBA also contains provisions that give preference to Aboriginal-owned contractors, provide kitchens in the workplace where Inuit can prepare traditional country foods, allow Inuit to apply for unpaid cultural leave, establish Inuktitut as a legitimate language for use in the workplace, and create monitoring and disciplinary resolution procedures.

**Governing the Workplace in a Neostaples Environment** The Nunatsiavut Government’s role in the governance of employment was structured by broader changes in mining employment. As a result, greater local governance affected Inuit employment in contradictory ways. Three elements of the governance of employment at Voisey’s Bay illustrate this complexity: Inuit employment, the representation of workers at the bargaining table and in work-related disputes and grievances, and the impact of strikes and lockouts.

**Inuit Access to Employment** Significantly, the Nunatsiavut Government considered its key role in employment relations to be ensuring preferential hiring of local Inuit applicants. It therefore negotiated hiring targets, the order of preference, and enforcement mechanisms into the IBA. Two Inuit IBA Coordinator positions were created in order to oversee the implementation of the IBA, and one on-site Inuit Employment Monitor was hired to address the concerns of Inuit workers on the shop floor. A joint Nunatsiavut
Government-VBNC dispute resolution committee was also created to address implementation difficulties.

The IBA also required that Inuit employment provisions were present in all contract bids and collective agreements. Collective agreements with the USW included a clause stating that the IBA supersedes the collective agreement, that promotion and recall follow order of preference, and that layoffs follow reverse order of preference. Collective agreements also contained language designed to assist the progression of Inuit and Innu workers into higher skilled and better-paying jobs by allowing trial promotions that facilitate on-the-job training, and designated National Aboriginal Day as a paid holiday.57

Despite these commitments, the absence of clear hiring procedures hampered enforcement in early stages of project development. By the end of the construction phase, however, the Nunatsiavut Government and the local VBNC managers had established a hiring protocol. All job postings were to be sent to the IBA Coordinator, who maintained a database of all beneficiaries who were applicants, their place of residence, and their skill set. Eligible Inuit were then contacted according to the order of preference. External applicants were only to be recruited in cases where there were no eligible Inuit. The fly-in, fly-out nature of the camp also allowed the employment monitor, the VBNC site manager, and employees to observe who came in and out of the camp.

IBA enforcement was aided by support from Scott Hand, the Inco Chairman and CEO, and several local managers. For example, at one point in the construction phase a local manager and the IBA Coordinator became aware that contractors were not following the order of preference. Under pressure from his membership, the LIA leader met with Hand to demand that the IBA be enforced. As a result, Hand instructed the human resources manager to conduct a hiring audit. The local manager halted construction and brought all of the contractors and business managers together to implement stringent controls on contractor hiring.

In general, Inuit workers felt that the IBA was necessary to ensure that people from their communities were hired. Many considered their own employment to be a direct result of the IBA. One Inuk stated “if we didn’t have that [the IBA]…I don’t think very many Labradoreans, be it Innu or
Inuit, would be working up there right now.”58 Another Inuk described how the IBA was important to counter employer preferences for hiring Newfoundland workers:

I probably would have had to fight harder to get a job because a lot of times what these people do, they bring in a lot of outsiders. Usually people from Newfoundland [are hired] before [people from] Labrador. Even though a lot of Labradorians are trained […] for some reason they like to hire Newfoundlanders first. I don’t know why.59

The prevalence of such comments among Inuit suggests that many had experienced or observed employment discrimination on the basis of Aboriginality. Clear hiring provisions therefore were necessary to counter labour market discrimination. The Nunatsiavut Government’s efforts were successful because its members represented approximately 40% of the Voisey’s Bay workforce in 2009. Including Innu workers, total Aboriginal representation was approximately 50%, much higher than the 2006 national average of 7.5% in the mining sector.60 Inuit were over-represented, however, in lower-skilled occupations, comprising only 20% of the higher-skilled site maintenance workforce but 62% of the lower-skilled site services skilled workforce.

Internationalization presented two challenges to Aboriginal employment. First, the capital-intensity and high-skill requirements of the mine and concentrator limited Inuit employment in coveted positions. Living in remote communities often precluded access to training required for these positions. Given that the mine was fly-in, fly-out, the firm could easily hire skilled workers from Newfoundland or further abroad at the expense of Labradorians. Secondly, after acquiring Inco, Vale exerted greater control over its Canadian operations by removing local managers’ ability to make decisions regarding human resources, particularly candidate recruitment and selection. This centralization of human resource decisionmaking disrupted the careful compromise and hiring system negotiated between the Nunatsiavut Government and the VBNC. The new recruitment system required that all job ads be posted to a website and that candidates apply online. Applications would be subsequently reviewed by personnel in Toronto. This change limited the role of local management and the
Nunatsiavut Government and threatened their ability to enforce the order of preference. Although, at the time of interviews, the Nunatsiavut Government was confident that it had been able to ensure that local candidates continued to be prioritized, retaining local influence was clearly inconsistent with the broader push for the internationalization of operations and practices within the firm.

Worker Representation The Nunatsiavut Government’s role in enforcing employment provisions within the IBA also altered the institutional arrangement between employers and organized labour, and created ambiguity over their respective roles in collective bargaining and in the resolution of work-related disputes. This was related to the different roles of each institution and to the lack of communication and air of mistrust between the Nunatsiavut Government and the USW and their respective members. The mistrust between the Nunatsiavut Government and USW is consistent with Russell’s analysis in which he discusses the construction of unions by employers and the residents of resource peripheries as southern, white institutions that do not prioritize the interests of northern or Aboriginal workers and communities.61

Nunatsiavut Government elected officials and staff were not present during negotiations, so ensuring that collective agreements did not violate the IBA was the responsibility of VBNC/Vale. What it meant to respect the IBA, however, was a source of disagreement. This was complicated further by the confidential nature of the IBA, which restricted USW access. Only after obtaining limited access to some parts of the IBA did the USW agree to the inclusion of a clause stipulating that “versions of the IBAs, as disclosed to the Union, shall be given precedence over this Agreement.”62

The ambiguity regarding the governance of employment led to disagreement about which IBA provisions should be included in collective agreements. Both the company and the union supported the inclusion of hiring and promotion provisions following the order of preference in the agreements. The inclusion of other IBA provisions, however, such as cultural leave, was more controversial. USW negotiators—some of whom were beneficiaries—sought to strengthen IBA provisions by bargaining parallel clauses into collective agreements. Both the VBNC and the Nunatsiavut
Studies in Political Economy

Government resisted the union’s strategy. As described by an Inuit USW representative:

I: It’s much better for it to be in the collective agreement?
P: Yes, that’s right, and then we have some form of [...] recourse when you see the company infringing on those rights.
I: The Nunatsiavut Government resisted you on this?
P: Yes, they did.
I: Why do you think that is?
P: I think that they had issues with the union policing their Impacts and Benefits Agreement.63

The Nunatsiavut Government did not see the USW as having a role in negotiating or enforcing IBA provisions and saw the inclusion of provisions in the collective agreement as a potential threat to self governance. The Nunatsiavut Government was also concerned that negotiating IBA clauses into collective agreements would jeopardize the rights of its members by providing non-Aboriginal workers with the same entitlements as Inuit workers.

While the USW was recognized as the primary representative of both Inuit and non-Aboriginal employees for work-related grievances, many Inuit workers were led to believe that they could seek assistance from an on-site Inuit Employment Monitor (who was responsible for ensuring that the employer adhered to the IBA) in the same way they would seek assistance from a shop steward. Workers often initially mistook Employment Monitors for Nunatsiavut Government representatives, before later discovering that they were VBNC/Vale employees. After a worker was hired, the Nunatsiavut Government affirmed a narrow jurisdiction over employment, relegating worker representation in disagreements between workers and the employer to the union. This separation of responsibility between access to employment (the purview of the Nunatsiavut Government) and representation of employees (the purview of the USW) allowed the Nunatsiavut Government to avoid having conflicts of interest. Since the Nunatsiavut Government was responsible for ensuring that Inuit businesses and the community-at-large benefitted from the development at Voisey’s Bay, it perceived those employed at Voisey’s Bay as a relatively small and privileged proportion of
its overall constituency. Moreover, since the Nunatsiavut Government also received royalties and owned a site services company with continuous contracts at Voisey’s, supporting workers in work-related grievances and labour disputes would be a conflict of interest. Tensions between the Nunatsiavut Government’s decision to play a limited role in matters related to employment and the expectations of Inuit workers became particularly contentious during a prolonged work stoppage that began in 2009.

**The Nunatsiavut Government’s Role during Strikes and Lockouts**

Ambiguity about the governance of employment came to the fore during a particularly lengthy strike by the USW bargaining units at Voisey’s Bay between 2009 and 2011. Many Inuit felt that the Nunatsiavut Government should have taken more responsibility for the welfare of beneficiaries employed at Voisey’s Bay and that, as an extension of its role in enforcing the IBA, it had a responsibility to pressure Vale to end the dispute. However, and similar to their position regarding work-related conflicts and grievances, Nunatsiavut Government representatives believed that their jurisdiction was limited to enforcing the IBA and that matters related to the labour dispute were the USW’s responsibility. Moreover, Nunatsiavut Government representatives (and many beneficiaries employed at Voisey’s Bay) felt that there was a general lack of understanding of the purpose of the IBA. One Nunatsiavut Government representative clearly distinguishes her understanding of the IBA and the collective agreement’s respective jurisdictions in her descriptions of conversations with Inuit workers:

They say ‘well we voted for the IBA’ and we have to constantly remind them yes, you voted for the IBA, every member of Nunatsiavut had the opportunity to vote for the IBA. You voted for the union agreement to become a unionized site. It’s only a certain select few who had the opportunity to do that. It’s an employer-employee thing, it’s not a Nunatsiavut Government fight….”

Striking Inuit workers asked their government to denounce Vale’s use of replacement workers. The Nunatsiavut Government would not take a position on replacement workers because it was in a precarious position, at once responsible for maintaining its relationship with Vale and any affili-
ated contractors, with their striking beneficiaries, and with any beneficiaries who were not members of the bargaining unit but were seeking work at the mine and concentrator. At first, the Nunatsiavut Government asked the company not to recruit replacement workers out of their communities because they did not want to increase tensions. As the strike extended beyond six months, however, people began to argue that the IBA was not being followed because workers were being flown in from out of province. No Inuit replacement workers were hired and only near the end of the 18-month strike did some Inuit cross the picket line.

The expectations that Inuit had of their government regarding the strike were based on their sense of ownership over the jobs at Voisey’s Bay. One Inuk who did not work at the mine linked his expectation that the Nunatsiavut Government should intervene to help resolve the strike to the IBA and to Inuit rights to control development on the land:

If I was president [of the Nunatsiavut Government] I would have shut her down. The only reason why we signed this contract and let Vale Inco to come in here and hire, the only reason, [was] so that we could hire local people. So here we have a strike on the go and all our people are laid off. Everybody is poor again. If it was me, I would have locked the doors. Forget it.66

As an agreement founded in Inuit relationships to territory, the IBA represented the benefits to which the community was entitled in exchange for allowing the extraction of ore from its traditional territories. The IBA therefore facilitated the development of a sense of community ownership over jobs. Sometimes, the sense of ownership that Inuit had over the jobs at Voisey's Bay fostered community support for the strikers. On one occasion, Inuit living on the coast blocked a ship moving out of the harbour at Voisey's Bay. Many community members from Nain who were not workers participated in the blockade. The increased role of Inuit in the governance of employment therefore provided Inuit communities with a sense of ownership over employment.

At the same time, Inuit involvement in governance of employment was shaped by corporate trends to maximize profitability. Through the environmental assessment process and IBA negotiations, the VBNC argued that following the international mining trends of using subcontractors and long-
distance commuting was beneficial for Inuit. While subcontracting opportunities would nurture economic development, long-distance commuting would allow workers to retain residence in their home communities, which would benefit from the flow of employment income.

Each of the above attributes, which are characteristic of neostaples employment, hampers collective representation. Because the IBA included subcontracting provisions, the USW was unable to bargain clauses preventing contracting out into the collective agreement. Workers for each contractor at Voisey’s Bay were organized into separate bargaining units with different contract expiry dates, and as a result the local was unable to organize for all of the units to go out on strike together. In addition, since the mine was fly-in, fly-out, striking workers who were dispersed throughout Newfoundland and Labrador were not able to shut down the operation or halt the inflow of replacement workers.

Vale’s acquisition of VBNC further hindered the union’s ability to exert economic pressure on the company through strike action. Historically, the USW negotiated collective agreements with similar terms, conditions, and expiration dates at all of Inco’s Canadian operations. This practice took wages and benefits out of competition and gave the union the ability to disrupt production simultaneously across Canada. In contrast, Vale’s Canadian operations constitute a relatively small proportion of its global portfolio. Therefore, even though the strike at Voisey’s Bay coincided with the strikes at Sudbury and Port Colborne, it did not threaten the company’s overall profitability Canada wide.

**Conclusion** The above description of the evolving institutional arrangement governing employment at Voisey’s Bay does not support the narrative, put forth by poststaples theorists, of declining local control over resource development and employment in Canada since the Second World War. Rather, this case suggests that northern communities play an increasingly important role in regulating employment in a neostaples context. Local control, however, is embedded within the internationalization of labour practices and a mining industry in which companies have expanded their global reach and engaged in cost-cutting measures and adversarial labour practices. Some aspects of these changes, such as Vale’s desire to centralize
and streamline recruitment and its ability to fly in replacement workers from far afield, have hindered the efforts of northern peoples to ensure good employment opportunities for their residents. In other cases, however, changes in the mining industry have blended with the desires of northerners. For example, long-distance commuting allows northerners to retain their home residence while working at the mine, providing economic benefits to remote communities.

While indigenous leaders have gained greater influence over employment in the neostaples political economy, their interests in employment benefits were contained by the very agreements designed to secure local benefits. IBAs encompass the desires of northerners not only for employment benefits, but also for economic self-sufficiency. Participating in economic development activities, however, limits Aboriginal leaders’ ability to represent the interests of their worker members by pitting workers’ interests against those of their broader constituency. Furthermore, in the case outlined above, the LIA’s desires for economic development opportunities were funnelled through the VBNC’s desires to cut costs by contracting out key functions of the mine and mill operations. The IBA was then invoked as an instrument to help the VBNC and Vale institutionalize the use of nonunion contractors at the site. This use of the IBA in collective bargaining demonstrates one way that IBAs have the ability to alter the balance of power between firms and workers.

By exerting political power and legal rights, indigenous governments have altered the traditional compromise among labour, corporations, and the government. Through IBAs, indigenous governments and organizations become influential actors in employment relations. The resulting model of employment governance, shaped by global mining trends, had ambiguous outcomes for Inuit workers. On one hand, the benefits of IBA provisions, according to many beneficiaries, were necessary to ensure that Inuit were not overlooked for employment, especially for higher skilled jobs and opportunities for promotion. This emphasis on Inuit employment was particularly important because it brought attention to the training barriers faced by Labrador residents. On the other hand, the IBA did not address—nor did Nunatsiavut Government leaders want it to address—the negative effects that new mining practices had on the quality of mining jobs. The IBA was also
not able to ensure that workers retained the ability to mobilize to attain their interests. Workers felt that collective representation would protect them from undesirable changes to the organization of work, promotion and seniority; on-the-job training; and dispute resolution. Ensuring that northern workers have protection from arbitrary dismissal and have access to on-the-job training is arguably in the spirit of Aboriginal leaders’ desires for local employment. The separation of new institutions governing employment from traditional forms therefore resulted in uncoordinated attempts to ensure that northern residents obtained quality employment benefits. In this respect, the agency of Inuit actors was constrained by the economic and political parameters of industrial relations in the mining industry.

Our case study suggests several ways that the governance of employment in a neostaples stage of resource development deviates from the Fordist-like compromise of preceding eras of resource development. In the neostaples political economy, Aboriginal institutions play an increasingly important role in governing employment while the role of unions is much diminished, as evidenced by the increasing number of nonunion mines across Canada’s north and the widespread use of subcontractors. The prevalence of IBAs therefore can be conceived of as an attempt to increase local influence as global mining companies bring greater international influence into corporate governance. The relocalization of employment benefits for northerners through IBAs will continue to be limited, however, by the internationalization of the industry and the lack of control of indigenous peoples over significant dimensions of work. Similar constraints placed on Aboriginal governance by private capital have led several authors to suggest that Aboriginal governance is being neoliberalized. Lastly, although we are addressing these questions in isolation, we also suggest that northerners could benefit from doing so in the context of broader questions about the extent to which the benefits they receive from resource development justify the costs.

Notes

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12. W.A. Mackintosh, Prairie Settlement, the Geographical Setting (Toronto: Macmillan, 1934).


21. See Howlett and Brownsey, Resource Economy.


30. In 1951, the Indian Act was amended to remove a discriminatory clause prohibiting First Nations from raising funds for the purpose of filing land claims.


33. Aboriginal title was defined as a proprietary right to land that is unalienable to any party other than the Crown, and that is grounded in Aboriginal peoples’ prior occupancy of lands or their political independence prior to contact and not in present-day state institutions. For more information, see P. Nadasdy, “Property and Aboriginal Land Claims in the Canadian Subarctic: Some Theoretical Considerations,” American Anthropologist 104/1 (2002), pp. 247–261.


37. Through C.LCs, also termed “modern day treaties,” Aboriginal groups exchange unrecognized rights to their traditional territories for defined property rights over a smaller territory, rights to participation in the management of resources and industrial development on larger territories, monetary compensation, and a variety of other powers and goods.


41. Inclusive of workers for territorial, provincial, federal, or Aboriginal governments and land claim institutions.
42. In some cases, however, IBAs are required legally. For example, some Comprehensive Land Claims Agreements stipulate the need for IBAs in the case of development on settlement territories.
47. *Land Claims Agreement between the Inuit of Labrador and her Majesty the Queen in Right of Newfoundland and Labrador and her Majesty the Queen in Right of Canada*, QS-5346-020EE-A1 (Ottawa: Minister of Indian Affairs and Northern Development, 2004), pp. 104–107, 124–125.
48. This subset comprises all workers and key informants who were involved in the operations phase of the mine in any capacity, and excludes 12 interviews with Building and Construction Trades representatives of workers who were part of the larger case study.
49. Although this process may have resulted in an overestimation of the Nunatsiavut Government’s influence on employment, we do not feel this influenced our overall conclusions because Nunatsiavut Government representatives did not ask us to shift our interpretation of events; they respected the fact that we were corroborating data from many key informants.
56. Canada, Province of Newfoundland and Labrador Department of Natural Resources, *Voisey's


Interview respondent 13.

Interview respondent 9.


Russell, More.

Voisey’s Bay Nickel Company and Local 9508 USW, Collective Agreement.

Interview respondent 56.

The contractor, Torngait Services International, is a joint venture (51% Inuit owned) with the Nunatsiavut Group of Companies, the corporate arm of the Nunatsiavut Government.

Interview respondent 57.

Interview respondent 67.

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