

Scales of Benefit and Territories of Control: A Case Study of Mineral Exploration and Development in Northwest British Columbia

by

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Abstract

The resource peripheries of Canada are contested spaces. In recent decades, governments, resource industries, and local communities have faced the impact of globalization, industry restructuring, and shifting international and national social and environmental protocols. This research investigates how governments, corporations and local governments use socio-spatial principles of territory and scale to distribute economic benefits from resource development.

Utilizing a case study of mineral exploration and mining in northwest British Columbia, Canada, I explore how principles of territory and scale are used to define 'places of benefit' within the region through the distribution of economic benefits from corporate social responsibility (CSR) and regional economic networks. CSR networks are composed of large international networks of non-governmental organizations and mineral development industry associations that define standards for the mineral exploration and mining industry. Regional economic networks are composed of multi-scalar government and non-government organizations that create economic development strategies for regional development.

My research reveals how governments, corporations and local governments use socio-spatial principles to define which places are included or excluded from accessing economic benefits distributed by these networks. In NW BC, the on-going dispute between First Nation and senior levels of governments, over the title of and jurisdiction over mineral resources creates an atmosphere of 'uncertainty' for investors. Companies, in collaboration with senior levels of government, are using CSR networks to facilitate the continued expansion of mineral development in the region. Whilst the economic benefits of this practice to First Nation governments, mineral development companies and the provincial government have been significant, this research draws attention to the impact of this practice on the regional scale. Non-First Nation local governments do not have the same access to CSR networks and are reliant on developing economic development strategies to capture economic benefits from mineral development occurring in the region. Local governments are restricted by their position within the multi-scalar jurisdictional hierarchy as to how they can engage with companies to attract development within their jurisdictional boundaries. The result is a continued division between First Nation and local governments that challenges the creation of a fully collaborative regionalism.

Keywords: rural geography; corporate social responsibility; mining; local government; jurisdiction; territoriality

Dedication

I would like to dedicate this project to my family and friends. This project would not have been possible without the support of my mother Elida Langner, who taught me to be an independent thinker; and my husband Michael Letourneau, who continually reminds me that I have something important to contribute the world.

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List of Acronyms

CSR	Corporate Social Responsibility
NW BC	Northwest British Columbia
NCLGA	North Central Local Government Association
MMSD	Mining, Minerals and Sustainable Development
ICMM	International Council on Mining and Metals
TSM	Towards Sustainable Mining
PDAC	Prospectors Developers Association of Canada
LRMP	Land and Resource Management Plan
MABC	Mining Association of British Columbia
AME BC	Association of Mineral Exploration British Columbia
IIED	International Institute of the Environment and Development
NWTL	Northwest Transmission Line
G2G	Government to Government
LUP	Land Use Plan
NDIT	Northern Development Initiative Trust
TCC	Tahltan Central Council
TNDC	Tahltan Nation Development Corporation
EA	Environmental Assessment
UBCM	Union of British Columbia Municipalities

1. INTRODUCTION

The resource peripheries of Canada are contested spaces. In recent decades, senior levels of government, resource industries, First Nation and local governments have faced the impact of globalization, industry restructuring, and shifting international and national social and environmental protocols. These changes are forcing rural regions to adapt to a rapidly evolving political and economic environment. This research investigates how senior levels of government, corporations and First Nation and local governments use socio-spatial principles to define how economic benefits generated from resource development are distributed on a regional scale. Utilizing a case study, I explore how principles of territory and scale are used to define how and why local governments have access to different types of economic benefits generated from resource development activities. I hypothesize that these socio-spatial principles are used to define different types of ‘places of benefit’ within the region, which define access to corporate social responsibility and regional development networks.

The case study, examines mineral development in the northwest region of British Columbia. The geo-political structure in the province of British Columbia is in a state of flux, indigenous First Nation governments are in the process of contesting Crown title over traditional territories and negotiating new treaties. On the periphery of these political negotiations, non-First Nation local governments struggle to reposition declining local economies, to capture benefits from the expansion of mineral development planned within the region. In this context, I examine the changing socio-spatial relations between senior levels of government, industry, local governments and First Nations in an evolving staples economy. I investigate how claims of territoriality and multi-scalar jurisdictional hierarchies are used to define ‘places of benefit’ within the region; and how these places have differentiated access to networks distributing economic benefits from mineral development activities.

Two types of networks are investigated: industry led corporate social responsibility (CSR) and government-led regional development. CSR networks are composed of international and national non-governmental organizations and mineral industry associations that are setting community engagement, safety and environmental standards for the mineral development industry. These standards are based on concepts of business ethics, risk mitigation, community relations and strategic planning (Hamann, 2003; Hughes and Wray, 2009). The mineral development industry has been adopting concepts of CSR to address grievances about irresponsible mining practices and negative environmental and community impacts (Yakovleva, 2005). Companies are adopting industry standards into their stakeholder engagement practices to earn a 'social license to operate' in the places of operation. For this study, I focus on the community engagement and community development components of CSR programs.

Regional economic development networks are composed of multi-scalar government and non-government organizations, creating economic development strategies for regional development. Contemporary development theories emphasise the region as the appropriate scale of competition in the global economy (Keating & Kitson et al, 2004; Loughlin, 1997; Porter, 2000; Scott & Storper, 2003). For local governments, a process of re-scaling is occurring, as attempts are made to improve local economies and conform to the commands of senior levels of government to create a competitive regional identity to attract global flows of investment (Hamin & Marcucci, 2008).

This dissertation is organised into nine chapters. Following this introduction, chapter two presents the conceptual framework used to guide the investigation of the complex socio-spatial relations of resource development. Building on the multi-dimensional framework presented by Jessop, Brenner and Jones (2008), I discuss the need to embrace the complexities of how territory, place, scale and networks are used to structure space and define socio-spatial relations between groups. I examine how territory and scale in the form of the nested hierarchies created by multi-scalar jurisdictional systems are used to define place and access to networks. I present this framework to guide the analysis of the socio-spatial relations affecting the development of rural regions.

In chapter three, I contextualize the research in four bodies of literature. The first body of literature examines the dynamics of the Canadian resource economy, and the role of resource extraction in the development of regional economies in British Columbia. The second body of literature examines the application of neoliberal development policies on resource extraction and regional development. The third body of literature examines the attempts of local and regional governments to compete in the global market, by creating competitive regional development strategies to attract investment to remote regions. Lastly, the forth body of literature, examines the evolving roles and responsibilities of governments and corporations for the development of rural regions and the evolving role of CSR programs in rural development.

The literature review provides key building blocks for the analytical framework presented in chapter four. The framework presents the outline of the case study analysis. I examine how senior levels of government, mineral development companies, First Nations and local governments use the socio-spatial structuring principles of territory and scale to define places of benefit and define which groups have access to CSR and regional development networks. This framework is used to answer the research questions presented in chapter four, detailing the methodology and data collection methods used in the case study.

Chapter's five to eight compose the core content of the case study. In chapter five, I present a political and economic profile of mining in British Columbia. The Mining Association of British Columbia has declared a “renaissance” of mining in British Columbia. In this chapter, I discuss the roles and responsibilities of senior levels of government and mineral development industry associations, working toward expanding mining in NW BC. Both parties are attempting to present the provinces as a ‘jurisdiction of certainty’ to attract foreign investment, developing strategies to mitigate the uncertain geopolitical context surrounding First Nation government territorial land claims.

In chapter six, I delve into the evolving socio-spatial relations between government, industry and First Nations to control mineral development activities in NW BC. I discuss how First Nation governments assert territoriality over mineral resources within their traditional territories. Guided by Sack's (1986) description of three key elements to understanding territorial strategies to control people phenomena and

relationships, I analyse the historical socio-spatial relations between senior levels of government and First Nations, political and legal strategies used by the Province of British Columbia to assert their jurisdictional control over mineral resources, and various forms of social power used by First Nation governments to control mineral development within their territories.

In chapter seven, I compare the experience of neighbouring non-First Nation local governments in the negotiation of benefits from mineral development. Restrained by their position within the multi-scalar jurisdictional hierarchy, local governments face challenges in identifying how they can engage with companies to capture benefits to support the local and regional economy. Whilst, First Nations have developed different forms of socio power to control mineral development within their territories, local governments are bound by their position within the nested political hierarchy, and have less access to control and benefit from mineral development in the region. Therefore, they must find ways to manoeuvre within their sphere of power to negotiate with senior levels of government and companies to gain economic benefits that will support the local economy and local government budgets. Lastly, in chapter eight, I analyse the impact that differentiated access to CSR and regional development networks has on the socio-spatial relations between First Nation and non-First Nation governments. Territorial and jurisdictional separations continue to create divisions between senior levels of government, First Nations and local governments. The growing use of CSR programs by mineral development companies, to facilitate the advancement of their projects, is exasperating the separation of First Nations and local governments in the region.

In chapter nine, I conclude with a discussion of the impact this practices has on rural development. First, I propose the need for a greater understanding of the socio-spatial relations of the regions in which CSR programs are applied, to consider the distribution of benefits beyond the territorial and consider the region as the appropriate scale for the distribution of benefits. Secondly, I propose the need for greater inclusion in regional development networks that transcend the territorial and jurisdictional separations of First Nation and local governments, to define a shared regionalism for the negotiation of benefits with senior levels of government and resource industries.

2. SOCIO-SPATIAL RELATIONS IN REMOTE REGIONS: A MULTI-DIMENSIONAL APPROACH

2.1. Introduction

Remote regions of resource extraction are complex spaces constructed by multiple social, economic and political processes. Multi-scalar governance systems and economic development policies use concepts of territory and scale to define places of inclusion and exclusion and participation in networks that distribute benefits from resource development. Groups construct socio-spatial structures to define roles and responsibilities between senior levels of government, extractive industries and First Nation and local governments within remote regions.

I conceptually frame this research using a multi-dimensional approach, as proposed by Jessop et al (2008). Their article, *Theorizing socio-spatial relations* proposes a polymorphic approach to investigating how spatial principles such as territory, scale, place and networks intertwine to construct socio-spatial relations. They argue that to gain a greater understanding of how space is socially constructed, it is necessary to embrace a multi-dimensional approach of analysis, one that avoids reducing socio-spatial relations down to one structuring principle. In this chapter, first, I will discuss the multi-dimensional approach proposed by Jessop et al. (2008) and the utility of this framework to build greater understanding of the complex socio-spatial relations in remote regions. Second, I build upon this approach, by presenting a conceptual framework for examining how principles of territory and scale operate to define ‘places of benefit’ and access to networks in remote regions.

2.2. A multi-dimensional approach

Socio-spatial relations are formed by how we understand and organize space. Soja (1980) describes that how we use space is filled with social meanings that shape how we use space and spatially relate to each other.

Whether it be the form, content, and distributional pattern of the built environment, the relative location of centers of production and consumption, the political organization of space into territorial jurisdictions, the uneven geographical distribution of income and employment, or the ideological attachments to locational symbols and spatial images, all organized space will be seen as rooted in a social origin and filled with social meaning. (p. 210)

Jessop et al (2008) identify four key dimensions of socio-spatial relations: territory; scale; place; and networks. Concepts of territory, scale, place and networks are socially constructed organizations of space that have associated meanings for different groups in different contexts. Each concept has associated principles that are shaped by “historical geographical contexts to produce distinctive orderings and reordering of the socio-spatial landscape, including new geographies of accumulation, state power, and hegemony” (Jessop et al, 2008, p. 395). Table 1 presents general guiding principles of structuration for each dimension and the associated patterning affect the principles have on socio-spatial relations. The patterning affects of socio-spatial dimensions are used to define relations within a given space, by creating structures such as borders, defining inclusion and exclusion, core and peripheries and connectivity.

Table 1: Dimensions of Socio-spatial Relations

Dimensions of socio-spatial relations	Principles of socio-spatial structuration	Associated patterning of socio-spatial relations
• Territory	• Bordering, bounding, parcelization, enclosure	• Constructions of inside/outside divides; constitutive role of the 'outside'
• Scale	• Hierarchization, vertical differentiation	• Construction of scalar divisions of labor; differentiation of social relations vertically among 'dominant', 'nodal' and 'marginal' scales
• Place	• Proximity, spatial embedding, areal differentiation	• Construction of spatial divisions of labor; differentiation of social relations horizontally among 'core' versus 'peripheral' places
• Networks/reticulation	• Interconnectivity, interdependence, transversal or 'rhizomatic' differentiation	• Building networks of nodal connectivity; differentiation of social relations, among nodal points within topographical networks

Adapted from (Jessop et al, 2008, p. 393)

Analysis of the principles and patterning affects of each dimension is presented in the literature. First, *territory* is conceptualised as a process of drawing borders, boundaries, parcelling and enclosing space. Territory is a structuring principle used for creating spatial divisions, defining inclusivity and exclusivity. Territory extends rights over a landscape through the expression of territoriality and the right to define boundaries. Elden (2010) drawing from Soja's (1971) work, explains the political organization of space as processes of competition, conflict and cooperation.

Territory represents:

- (1) The control over the distribution, allocation, and ownership of scarce resources (including land, money and power – the ability to make authoritative decisions);

- (2) The maintenance of order and the enforcement of authority;

- (3) The legitimization of authority through societal integration.
(p. 7, as quoted in Elden 2010, p. 804)

Sack (1986) explains this process of defining territory as “a spatial strategy to affect, influence or control resources and people, by controlling area” (p. 1). He defines the process of defining territory as the process of claiming territoriality. Territory is a strategic social and geographic process of setting conditions of inclusion and exclusion within the context of a place, space and time, “territoriality is intimately related to how people use the land, how they organize themselves in space, and how they give meaning to place” (Sack, 1986, p. 2). Claims of territoriality are not fixed; they are reflexive to social values that influence spatial behaviours over time. Sack presents three key elements of territorial strategy:

- (1) A geographic strategy to control people and things by controlling area;
- (2) A geographic expression of social power; and
- (3) An expression of the historical relationships between society, space and time. (Sack, 1986, p. 5)

Analysis of territoriality within an area requires the deconstruction of the historic context and the social, economic and political conditions that define territory, providing insight into how we use spatial strategies to control groups and individuals.

The second spatial dimension of *scale* creates, “hierarchization, vertical differentiation” defining a pattern of “scalar divisions of labor; differentiation of social relations vertically among ‘dominant’, ‘nodal’ and ‘marginal’ scales” (Jessop et al, 2008, p. 393). Politically, scale represents the hierarchical distribution of power between the individual, local, regional, national and international institutions. As political institutions, scalar analysis represents the organization and interactions of polycentric political organization within a jurisdiction hierarchy (Andersson & Ostrom, 2008; Ostrom, 2010). Political institutions define jurisdictional structures, “rigidly mapped territories within which formally defined legal powers are exercised by formally organized governmental

institutions" (Ford, 1999, p. 843). Scale as territorial jurisdictions are formed by the state granting rights and defining legal powers implemented through institutions. These institutions then use their legally defined powers to control specific spatial dimensions within their allocated boundaries (Ford, 1999).

Andersson and Ostrom (2008) discuss the organization of these institutions within a polycentric relationship "multiple authorities with overlapping jurisdictions" (p. 71). In a polycentric governance system, nested jurisdiction authorities distribute control and benefits within a multi-scalar hierarchical institutional framework. Jurisdictional institutions define spheres of power and shape relationships between territories within shared spaces by creating a nested hierarchy of institutions.

...the study of political systems needs to consider the degree and forms of nestedness of political actors within larger political systems. The patterns of interaction and outcomes depend on the relationships among governance actors at different levels and problems they are addressing. (Andersson & Ostrom, 2008, p. 73)

Jurisdictional scale as a structuring principle shapes relationships between the dominant, nodal and marginal, creating systems of political hierarchy. Senior levels of government dominate subordinate orders of regional and local governments defining spheres of jurisdictional authority, roles and allocating responsibilities. Jurisdictional boundaries create containers of authority, with defined procedures of conduct and interaction with other order of governments within the hierarchy.

A purely structuralist understanding of multi-scalar jurisdictional hierarchies view the structure of government as a process of standardization in which all actors must interact, defining spatial boundaries and dividing jurisdictional control between levels of government with specified roles and responsibilities (Ford, 1999). However, a multi-dimensional understanding of jurisdictional hierarchies recognises how jurisdictional boundaries define place and the parameters for the interactions between places in the formation of networks.

The third dimension of *place* defines “proximity, spatial embedding, areal differentiation” creating a patterning affect of the “construction of spatial divisions of labor; differentiation of social relations horizontally among ‘core’ versus ‘peripheral’ places” (Jessop et al, 2008, p. 393). Unlike territory, which is understood as a strategy to control spatial relations (Elden 2010; Sack 1986), place is constructed by social, economic and political processes that are extended over a space that define and characterise spatial connections and relationships.

Places can be conceptualized as cumulative archives of personal spatial experience emerging from unique webs of situated life episodes. ‘Place’ is thus not bound to any specific location but conceptualized from the perspective of personal and family/household histories and life stories. (Paasi, 2002, p. 807)

How place is defined is "politicized, culturally relative, historically specific, local and multiple constructions" (Rodman, 1992, p. 641). Politically, the process of place-making is relational, involving the constant reordering and selection of which social, economic and political values organised in varying ways. Pierce et al (2010) draw from Massey (2005) to describe “places as bundles of space-time trajectories” (p. 60). They describe four components of the process of spatial bundling,

- First, places are composed of very heterogeneous parts or raw materials: the points of these constellations (that is, the objects which have space-time trajectories) consist of elements like physical features, individuals, coalitions, corporations and groups as well as myriad parts of the built environment.
- Second, bundling proceeds through individual people’s (conscious and unconscious) acts of selecting or choosing raw materials, or elements, which comprise places in their experiences (akin to identifying constellations among the stars of the night sky)? This selecting is always informed by social process (i.e. it is already networked).

- Third, while individuals' production of their place/bundles is important, it is through the subsequent process of positioning these various bundles toward social and political ends (that is, through place-framing) that rough consensus among groups can emerge about which bundles have shared importance...
- Fourth and finally, the bundles that constitute places change over time as the elements that make a more or less coherent whole in the eyes of the people who construct them also change. (Pierce et al, 2010, pp. 60-61)

How space is bundled in place-making is an important component to understanding socio-spatial relations. The conscious and unconscious selection of the “raw-material” that is used to define place has social meaning and impact on socio-spatial relations. What is defined as the criteria for defining place? What meaning does defining place have in relation to other places?

The fourth dimension of socio-spatial relations examines the flows between places. A *network* analysis provides an important framework for analysing the internal and external flows that shape the dynamics of spatial interactions. The conceptualization of socio-spatial relations as networks of relational space, offers a more in-depth multi-dimensional understanding of the political, economic, social, cultural and environmental context of regionalism. The key to this discussion is to challenge structuralist assumptions of territory and scale that define relations defined by territorial boundaries or jurisdictional function. Rather, networks are examined as to how socio-spatial relations are constructed by the “interconnectivity, interdependence, transversal or ‘rhizomatic’ differentiation” creating “networks of nodal connectivity; differentiation of social relations, among nodal points within topographical networks” (Jessop et al, 2008, p. 393). Networks are often discussed in the context of political and economic globalization (Amin, 2004; Swyngedouw, 2004).

In a relationally constituted modern world in which it has become normal to conduct business – economic, cultural, political – through everyday trans-territorial organization and

flow, local advocacy, it seems to me, must be increasingly about exercising nodal power and aligning networks at large in one's own interest, rather than about exercising territorial power...
(Amin, 2004, p. 36)

Network analysis offers a relational interpretation of space. It contributes to an understanding of regional connectivity free of territorial boundaries, place-based identities and multi-scalar jurisdictional roles and responsibilities.

An analysis of each of the four dimensions provides an understanding of how structures of territory, scale, place and networks shape socio-spatial relations. Although, a one-dimensional analysis can provide an in-depth exploration of a structuring principle, it runs the danger of reducing socio-spatial relations down to a singular causal reality (Jessop et al, 2008). Jessop et al (2008) propose to gain a more robust understanding of socio-spatial relations we must begin to build multi-dimensional frameworks that build a greater understanding of the interaction of these dimensions. By this, they propose, there is a need to investigate how these dimensions interact and influence each other in multiple fields of operation, rather than reducing analysis of a space down to the territorial, scalar, place or network structures.

Central is recognising the multi-dimensional connectivity of spatial relations. This approach proposes that each dimension affects the others. For example, territory creates a patterning affect that defines spaces of inclusion and exclusion, to understand how this process shapes socio-spatial relations, we must consider how the process of defining territory is used to define place or interacts within multi-scalar jurisdictional hierarchies. Table 2, presents an example of a framework that adopts a multi-dimensional analysis, providing examples of the interactions between different socio-spatial principles. Read horizontally the framework proposes how each principle intersects with other principles to create a new dimension of socio-spatial relations.

Table 2: Beyond One-dimensionalism: Conceptual Orientations

Structuring Principles	Fields of Operation			
	Territory	Place	Scale	Networks
Territory	<ul style="list-style-type: none"> Past, present, and emergent frontiers borders, boundaries 	<ul style="list-style-type: none"> Distinct places in a given territory 	<ul style="list-style-type: none"> Multilevel government 	<ul style="list-style-type: none"> Interstate system, alliances, multi-area government
Place	<ul style="list-style-type: none"> Core-periphery, borderlands, empires, neomedievalism 	<ul style="list-style-type: none"> Locales, milieus, cities, sites, regions, localities, globalities 	<ul style="list-style-type: none"> Division of labor linked to differently scaled places 	<ul style="list-style-type: none"> Local/urban governance partnerships
Scale	<ul style="list-style-type: none"> Scalar division of political power (unitary state, federal state, etc.) 	<ul style="list-style-type: none"> Scale as area rather than level (local through to global, spatial division of labor (Russian Doll) 	<ul style="list-style-type: none"> Vertical ontology based on nested or tangled hierarchies 	<ul style="list-style-type: none"> Parallel power networks, nongovernmental international regimes
Networks	<ul style="list-style-type: none"> Origin-edge, ripple effects (radiation), stretching and folding, crossborder region, interstate system 	<ul style="list-style-type: none"> Global city networks, polynucleated cities, intermeshed sites 	<ul style="list-style-type: none"> Float ontology with multiple ascalar entry points 	<ul style="list-style-type: none"> Networks of networks, spaces of flows, rhizome

Adapted from: (Jessop et al, 2008, p. 395)

Principles of territory, scale, place and networks are in constant interaction, evolving and adapting to the various fields of operation, creating new patterns of socio-spatial relations. The value of this approach is how it embraces the complexities of social relations occurring within any given region by avoiding the reduction of spatial dynamics down to the function of one structure (Jessop et al, 2008).

Critiques of the multi-dimensional framework support the conceptual underpinnings of innovating new conceptual frameworks that embrace the complexities of socio-spatial relations (Paasi, 2008; Mayer, 2008). Paasi (2008) discusses the usefulness of the multi-dimensional approach to understand the socio-spatial relations of regions, as it challenges the assumptions of what he terms contemporary “fast-

geographies” that emphasize regions as flows and networks and ignore questions of regionalism in terms of place and pre-existing boundaries. Both Paasi (2008) and Mayer (2008) draw attention to the need for analysing the social, as much as the spatial, when contemplating concepts of territory, place, scale and networks.

Put bluntly: it is never the spatial form that acts, but rather social actors who, embedded in particular (multidimensional) spatial forms and making use of particular (multidimensional) spatial forms, act. The relevance of a particular spatial form either for explaining certain social processes or for acting on them can be measured only from the perspective of the engaged actors. Thus, in order to define criteria for the relevance of (a specific form of) spatiality, we need to start, both in our theoretical endeavors as well as in political practice, from concrete social processes and practices rather than reifying spatial dimensions (Mayer, 2008, p. 416).

This can be addressed by incorporating a strong contextual analysis of the historic and contemporary political, economic, social and cultural processes that have shaped and are shaping the conceptualization of each of the four socio-spatial categories. Each of these words (territory, place, scale and network) has meanings that are historically contingent to the context of the empirical analysis. These meanings must be revealed to avoid a purely structuralist analysis ignoring how these words are conceptualised, used and reproduced. “It is the task of researchers to make possible ensembles, fronts, backsides, insides, and outsides ‘visible’ through abstractions and to reveal how such framings are produced, reproduced, contested, and destroyed in social life. Such efforts can also be powerful in a political sense” (Paasi, 2008, p. 406). Through this process, new categories and concepts may emerge that could be added as dimensions to the framework. Casey (2008) questions the “quaternary model” and suggests that different dimensions may be identified in different time periods, or emphasis may be placed on one dimension over others in different contexts. This may be true in particular contexts. As noted by Paasi (2008), Mayer (2008) and Casey (2008), Jessop et al (2008) leave

methodological questions of how to implement a multi-dimensional approach to socio-spatial relations up for debate and innovation.

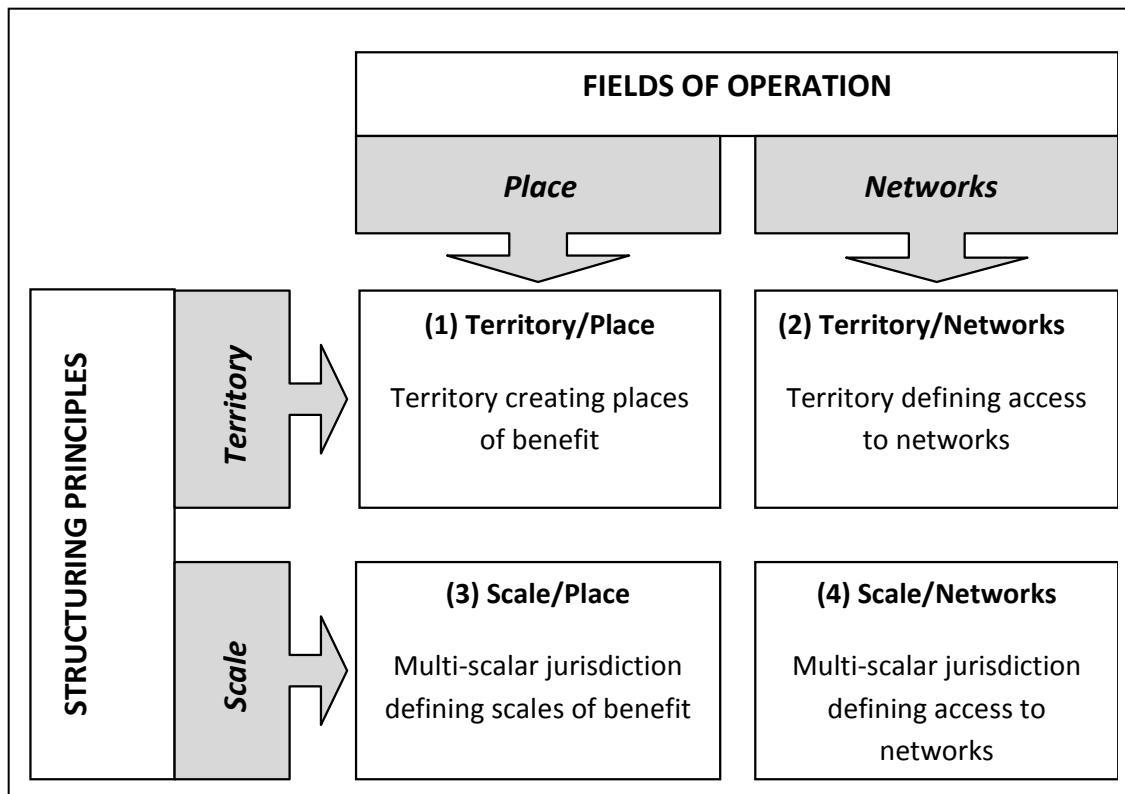
For the researcher the challenge lies in deciding to embrace all possible sixteen quadrants of interaction as shown in Table 2, or customizing a framework based on key structuring principles, most relevant to the phenomena under study. The challenge with the former choice is the immense scope of the analytical endeavor, and for the latter the challenge lies in limiting the analysis by pre-determining which structuring principles have the most resonance for the study. For this project, the choice to limit the structuring principles and intertwining fields of operation, were selected based on an extensive literature review of the current theoretical debates and empirical research related to resource extraction and regional development in rural Canada. As will be discussed in Chapter 3, a review of political and economic literature related to regional development in resource peripheries reveals the historic and contemporary use of concepts of territory and scale shaping resource extraction in rural Canada. Therefore, the conceptual framework described below is constructed to examine how territory and scale are intertwined with concepts of place and networks to define ‘places of benefit’ and access to networks. The conceptual framework embraces the complexity of the historic and contemporary context of indigenous territoriality, the creation of non-indigenous settlements and the multi-scalar jurisdictional structures that define the roles and responsibilities of each level of government. The framework is useful as a guide for thinking about the various dimensions of remote regions and how different structuring principles, have interacted in a historic and contemporary context to shape the socio-spatial relations between senior governments, resource companies, First Nation and local governments in remote rural regions.

2.3. Conceptual Framework

This multi-dimensional approach provides the basis for the conceptual framework as presented in figure 1. For this research, the structuring affects of territory and scale on the creation of place and networks. Within the framework territory is thought of as an expression of claims of territoriality creating spaces of inclusion and exclusion. First, in sections (1) Territory/Place and (2) Territory/Networks in the framework examine how

territory operates to create places of inclusion and exclusion and how territory is used to define access to networks. Second, the scale dimension is conceptualised in terms of nested hierarchies within polycentric governance structures, as multi-scalar jurisdictions. In sections (3) Scale/Place and (4) Scale/Networks the framework examines how place and networks function within an imposed hierarchical structure that attribute roles and responsibilities by creating different types of places within the hierarchy, which then define structures for interaction within the hierarchy.

Figure 1: Conceptual Framework



For this research, I have chosen to examine how government, corporations and First Nation and local governments use the structuring principles of territory and scale to define place and access to networks for the distribution of economic benefits from mineral exploration and development. As will be discussed in Chapter 3, the literature reveals how the spatial principle of territory is creating spaces of inclusion and exclusion by defining boundaries of interest in for First Nation and local governments in British Columbia. In the context of this research, the concept of territory is examined as it intertwines with the concept of place, to define ‘places of benefit’ within a resource region, more specifically how senior levels of government, First Nation and local governments use territory to define places of inclusion and exclusion to benefit from resource development. Secondly, I examine how territory is used to define access to benefits distributed by corporate social responsibility networks.

The second structuring principle examined is the principle of scale, conceptualized as the multi-scalar nested jurisdictional hierarchies that define institutional legal roles and responsibilities. Each level of government within the hierarchy is attributed roles and responsibilities bounded within a sphere of power. How do these boundaries define place differently than boundaries defined by claims of territoriality, and how do these roles and responsibilities define access to regional development networks?

2.3.1. Conclusion

This approach provides a framework that embraces the complexities of socio-spatial relations in remote resource regions. This innovative approach analyses the complexity of the socio-spatial structures utilized in spaces with complex multi-actor dynamics. It is specifically useful in deconstructing the dynamics of remote areas with multiple claims of territoriality, operating within an imposed polycentric governance system, introducing a multi-scalar jurisdictional structure to enable colonial settlement for the extraction of natural resources. As will be presented in the literature review, territory and scale have been important structuring principles in remote resource regions defining political and economic development. Resource extraction in remote resource areas instigated a structuring process of accepting and rejecting claims of territoriality over land and resources by colonial and indigenous peoples, creating jurisdictional

hierarchies to control access to resources and create settlements to facilitate resource development. This shaped the socio-spatial relations between indigenous peoples, resource settlements, industry and governments. In the contemporary neoliberal political responses to global capitalism, these socio-spatial principles are being redefined to compete in the global economy and by doing so are redefining the roles and responsibilities of corporations and governments.

3. REMOTE REGIONS: PLACES OF RESOURCE EXTRACTION

Resource peripheries are significant for understanding globalization as a contemporary stage in capitalist development. In particular, within globalized resource peripheries there is a clash of industrial, environmental, cultural and geopolitical dimensions not found in cores... (Hayter, Barnes, & Bradshaw, 2003, p. 19)

3.1. Introduction

Resource extraction has had a structuring affect on remote regions, shaping socio-spatial relations between senior levels of government, resource companies and local communities. In this chapter, I discuss how the Canadian staples economy has shaped the political, economic and social dynamics of resource peripheries. First, I discuss various elements of government, corporate and community policies for resource development. Senior levels of government use their position at the top of the jurisdictional hierarchy to facilitate the development of resource extraction, by providing free entry for resource exploration and access to remote regions, by developing infrastructure and communities to attract labour and support services for industry. How governments have played these roles, and fulfilled these responsibilities, has shifted over time based on various political, economic and social ideologies.

In the second section of the literature review, I discuss how neoliberalism is reshaping the roles played by governments and resource industries. The implementation of neoliberal resource development policies is reducing barriers of entry for the exploration and extraction of Crown mineral resources, to create a jurisdiction of certainty for foreign investors. As a part of this process, senior levels of government have assumed the role of facilitator between corporations and First Nation using their

regulatory power to push resource companies to take on more responsibility for community development in remote regions.

In the third section, I discuss how the mineral development industry is responding to the role of community developer, by adopting corporate social responsibility (CSR) strategies into business practices. Global and national industry associations are creating CSR strategies in response to global pressures for more ethical business practices and as a political strategy to gain access to dispute territories in remote areas. Companies are required to earn a ‘social license to operate’ as a part of the overall permitting process. Control over the social license is under-theorized in understanding how companies determine how benefits from CSR programs are directed to communities and the impact these practices have on regional development.

In the final section, I discuss how communities excluded from CSR programs must rely on more conventional strategies to attract investment. Communities in remote regions are attempting to adopt principles of ‘new’ regionalism as a collaborative political and economic strategy that defines a regional scale competitive advantage to attract investment. This strategy requires a conceptual rescaling of inter-community socio-spatial relations as communities attempt to collaborate to capture benefits from resource development.

3.2. Resource extraction

Hayter et al, (2003) describe the socio-spatial relationship between government, industry and First Nation and local governments in a staples-based economy, as a process of the geographical expansion of capitalism and globalization that involved “force, establishment of new forms of governance operating frequently from a distance, and the economic and political disenfranchisement of the indigenous” (p. 18). Staples theory presented by Innis (1930), Watkins (1963) and Drache (1995), provides the foundation for understanding the political economic context of the relationship between government, industry and communities. The staples-based economy has had a structuring effect on the socio-spatial relations in remote regions. Government institutions play an important role in a staples economy because of centralised control

over resource management, and the intensity of infrastructure capital needed for resource extraction (Hayter & Barnes, 1990). Resource peripheries have been shaped by the extraction and exportation of natural resources, dependency on foreign investment and the volatility of global commodity markets.

Harold Innis detailed the foundations of the staples-based economic history of Canada in *The Fur Trade in Canada* (1930). Dependency on the exportation of resources, does not build capital within resource peripheries, and foreign-owned companies drain reinvestment of resource income within the regional market. Resource extraction is capital intensive and requires large investment often from multi-national foreign owned firms, which have tended to source inputs and value-added operations outside of the region of extraction in the home locations of the investing firm. This type of resource extraction, removes wealth from regional economies by trapping the government and communities in the need to extract and export more resources to maintain income.

Staples theory remains relevant today as a foundational theory explaining how resource extraction is a part of a historic and geographic process, which has had both economic and social structuring, effects on Canadian society. Watkins (1963) describes how a lack of investment in backward, forward and final demand linkages in the domestic economy perpetuated dependency revenues generated from the export of raw materials creating a staples trap. The general lack of re-investment hindered the maturation of a domestic spread effect to stabilize regional economies. He observed this becomes a losing battle as a region begins to lose profitability from diminishing returns, shifts in demand or competition from cheaper sources of supply.

Clapp (1998) expanded on this concept by presenting three stages of a resource cycle of diminishing returns. The first stage is one of exploration and initial production, complimented by government subsidies and investments in infrastructure to facilitate development. This is followed by a period of profitability and expansion, creating capital accumulation and government revenue from resource rents. Finally, increased depletion and competition begin a process of decline, characterised by lay-offs, decapitalization and corporate withdrawal, causing regional unemployment and greater demands on

government social spending, resulting in an economic crisis within the region. Markey et al. (2005) characterize the resulting resource economy as:

- Lacking reinvestment in the industry;
- Generally under multi-national corporation control;
- Lacking diversification to avoid vulnerability in fluctuating global demand;
- Limited innovation through research and development;
- Reliance on staples export;
- Low levels of development in secondary industries; and
- Resource exhaustion from over harvesting and “resourcism” or the close connections between government and industry interests which can lead to decisions based on short term benefits over long term sustainability. (p. 54)

The mobility of resource industries has exacerbated the vulnerability of local governments in resource regions to changes in technology and the global commodity market. “In a globalised world with internationally integrated markets and free flows of capital, communities must, in the end, learn to fend for themselves since most of the classical development tools of the central state will have fallen to disuse” (Polèse, 1999, p. 11). Senior levels of government are abandoning policies that formerly helped hold companies in place to help create a level of stability for local governments by securing sources of industrial and residential property taxes and regional employment.

Formerly, development policy based on Keynesian welfare-state policies, sought to channel investment into ‘lagging’ regions by using location subsidies to private industry and infrastructure investment (Polèse, 1999). Economic development in Canada, was characterised by core-periphery growth pole theories of development focusing on the use of intervening government policy to capitalize on inherit comparative advantages of the region (Gunton, 2003). This model of development was exemplified by the W.A.C. Bennett era of ‘province building’ in British Columbia in the 1950 and 60s characterised by concentrated interventions by senior levels of government to enable

resource extraction. Centrally planned regional science approaches in Canada, used policy instruments such as location subsidies and public investment in infrastructure to attract industry to specific locations as a way to bolster lagging economies (Markey et al, 2008). This included strategic investments in the pulp mill industry, hydroelectric power expansion, and improvements in transportation infrastructure. In British Columbia, provincial government policies allowed industry to purchase large tracks of land, build housing and associated infrastructure and apply to incorporate the community as municipality under provincial legislation (Ministry of Community, Sport and Cultural Development, 1999).

Government and industry worked in concert to create the physical and social infrastructure needed to support a resource labour force in remote regions “the spatial manifestation of the dependent staple economy is the emergence of isolated, single industry towns organized around the extraction of staples” (Gunton, 2003, p. 70). The initial cost of developing this new infrastructure caused governments to take on high levels of debt, leading to a dependency on resource royalties and a vulnerability to fluctuating global commodity markets (Drache, 1995). Drache surmises, “money-starved governments sold off timber and mineral rights to help pay for railway subsidies, public institutions, public works and even hospitals” (1995, p. xxvi). This pattern of resource development created single sector dependency and a lack of economic diversity, causing communities to be vulnerable to fluctuating government and firm policies (Markey et al, 2005). Communities created to service resource companies, were subject to corporate decision-making, creating boom-bust cycles of global commodity prices. As company towns matured, and resource companies began to retreat, local governments emerged and jurisdictional authority for the community came under local government and provincial legislation (Lucas, 1971).

Hayter and Barnes (2001) account for the increased mobility of resource firms as a shift from a Fordist to a post-Fordist economy of Canada’s resource sectors. The global-local context of Fordism in Canadian resource sectors was characterised by a commitment to continental political economic relationships, low royalty fees and the large scale extraction and exportation of Canadian resources for processing in the United States using heavily subsidized infrastructure (Hayter & Barnes, 2001). The political-economic structure of post-Fordism is characterised by restructuring policies

that, in the past, had once bonded companies to communities adjacent to the resource extraction. Second and third generations of residents have endured the fluctuations of the global commodity markets. Communities lacking economic diversity remain dependent on single industries to sustain their livelihoods. Halseth (1999) proposes this has created resource communities that exist within an ongoing state of flux, as resource workers migrate from one resource community to the next, riding the ebbs and flows of the global market. Residents have become mobile inter-resource migrants (Halseth, 1999), responding to openings and closures of mills and mines according to fluctuations in the global commodity markets.

3.3. Neoliberal resource policies

The interdependent connection between government, resource industries and local communities, causes resource regions to be particularly sensitive to shifts in government development policies. Neoliberalism is redefining the roles of the government and resource corporations. Jessop (2002) describes how neoliberal policy shapes economic, political and social relations by endorsing the market economy, minimizing government intervention and maximizing the freedom of individuals. As an ideology governing economic development, neoliberalism advocates:

- The liberalization and deregulation of economic transactions not only within national boundaries but also – more importantly – across these boundaries;
- The privatization of state-owned enterprises and state provided services;
- The use of market proxies in the residual public sector; and
- The treatment of public welfare spending as a cost of international production, rather than a source of domestic demand. (Jessop, 2002, p. 107)

Peck and Tickell (2002) describe how neoliberal policies are a process of rolling-back and rolling-out forms of government intervention. Roll-back neoliberalism

characterises the process of deregulation and dismantlement of former Keynesian welfare-oriented institutional programs, followed by the roll-out of new “institutional ‘hardware’” to liberalise the market through processes of deregulation and policies that facilitate the active participation of private institutions in roles formally played by the state. They characterise a pattern of neoliberal development policies:

- Neoliberalism promotes and normalizes a “growth first” approach to urban development;
- Neoliberalism rests on a pervasive naturalization of market logics, justifying on the grounds of efficiency and even “fairness”
- Neoliberalism only privileges lean government, privatization, and deregulation;
- Neoliberalism licenses an extrospective, reflexive and aggressive posture on the part of local elites and states, in contrast to the inward oriented concerns with social welfares and infrastructure provision under the Keynesian era;
- Narrow urban policy based on capital subsidies, place promotion, supply side intervention, central makeovers and local boosterism; and
- Off the shelf imported solutions. (Peck & Tickell, 2002, p. 394)

Central to neoliberalism is the premise that development is best governed by facilitating the maximization of entrepreneurial freedom, enhancing private property rights, individual liberty, free markets and free trade (Harvey, 2006). Harvey evaluates the widespread adoption of neoliberal public policy and asks the important question, “In whose particular interests is it that the state takes a neoliberal stance and in what ways has these particular interests used neoliberalism to benefit them rather than, as it is claimed, everyone, everywhere?” (2006, p. 146). He argues that the intended outcome of neoliberalism policy is to systematically direct wealth to global elites.

In the context of resource development, the neoliberal shift in resource policies is liberalizing property rights, reducing market regulations and barriers to firm mobility by

liberalising environmental planning to increase accessibility of natural resources (Young, 2008). The liberalization of rights, markets and spaces, extends corporate authority over resource regions and is changing the governments and corporation's obligations to the environment, labour and communities (Young & Mathews, 2007). Senior levels of government use policy instruments to create a multi-scalar competitive jurisdictional environment for resource extraction, and promote public-private partnerships between corporations and local communities. Local governments are encouraged to work with industry to create an attractive geopolitical environment for investors, by offering competitive taxes, a skilled workforce, and information to attract global investment. Senior levels of government use their jurisdictional authority over local governments to push them into competition to attract private investment to support economic development and fund local infrastructure and services (Markey et al, 2006). Political power centred outside of the region, positions rural regions as a 'resource bank' to service metropolitan populations (Markey et al, 2008). As senior levels of government promote resource development, they are also reducing their direct financial support for local communities (Markey et al, 2008; Polèse, 1999).

Young and Mathews (2007) present three main arguments highlighting the importance for further investigation into the impact of neoliberal policies on rural resource regions:

1. These regions are economies that contain tremendous wealth and any change to their regulation or political economy has significant repercussions both to local and global economies;
2. They are often places where other systems (such as Fordism, Keynesian and corporatism) have been very strongly entrenched, making current change deeply transformative in nature; and
3. Reforms to resource spaces in recent years involve extensive application of roll back and roll out neoliberal policies. (Young & Mathews, 2007, p. 177)

Under a neoliberal policy paradigm, the relationship between government, industry and local communities is being reshaped by reducing government central government planning, promoting resource regions as places of investment, competitively linked to the global economy and encouraging public and private partnerships.

3.4. Corporate social responsibility

Neoliberal resource policies are redefining the roles and responsibilities of the government and resource companies. Governments provide millions of dollars in grants, marketing, and infrastructure to promote resource exploration and extraction, and at the same time regulate sector activities through taxation, resource management, safety and environmental protection (McAllister, 2007; McAllister & Schneider, 1992). This jurisdictional authority over access to natural resources provides senior levels of government the power to demand resource companies to take greater responsibility for community development in resource peripheries. Albareda et al (2008) suggest that governments are using their control over access to natural resources to push companies into filling voids left by reduced government investment in community development by advocating the use of CSR practices. In this role, the private sector has moved from a traditional role of creating employment and corporate taxpayer, to a corporate citizenship role, involved in the social and economic development of communities (Blowfield, 2005).

CSR is based on concepts of business ethics, risk mitigation, community relations and strategic planning (Crowther, 2008; Hamann, 2003; Hughes & Wray, 2009). Das Gupta (2008), describes CSR as an understanding of the reciprocal relationship between a company and the society in which they are a part, where “activities of the company have wider impacts on the society in which it operates; and that development in society in turn impact on its ability to pursue its business successfully” (p. 97). In an extensive literature review and web site search, Dahlsrud (2008) analysed 37 definitions of CSR and identified five core dimensions of CSR (Table 3).

Table 3: Five Dimensions of Corporate Social Responsibility

Dimension	The definition	Example phrases
The environmental dimension	The natural environment	<ul style="list-style-type: none"> • 'a cleaner environment' • 'environmental stewardship' • 'environmental concerns in business operations'
The social dimension	The relationship between business and society	<ul style="list-style-type: none"> • 'contribute to a better society' • 'integrate social concerns in their business operations' • 'consider the full scope of their impact on communities'
The economic dimension	Socio-economic or financial aspects, including describing CSR in terms of a business operation	<ul style="list-style-type: none"> • 'contribute to economic development' • 'preserving profitability' • 'business operations'
The stakeholder dimension	Stakeholders or stakeholder groups	<ul style="list-style-type: none"> • 'interaction with their stakeholders' • 'how organizations interact with their employees, suppliers, customers and communities' • 'treating the stakeholders of the firm'
The voluntariness dimension	Actions not prescribed by law	<ul style="list-style-type: none"> • 'based on ethical values' • 'beyond legal obligations' • 'voluntary'

Adapted from: (Dahlsrud, 2008, p. 4)

The five dimensions reflect the connection of the construction of CSR around concepts of sustainable development. For example, the mining sector has undertaken a series of global initiatives to identify how mineral exploration and mining companies can address long-standing grievances against environmental, health and safety, human rights and community issues. Yakovleva (2005) summarises a number of reasons for the growing adoption of CSR in the mining industry:

- Historic presence of irresponsible mining practices have created negative public opinions about mining;

- Various environmental, community and indigenous groups have begun to put pressure on the industry, influencing public opinion;
- The implied social contract that exists within society that companies must maintain ‘a license to operate’; and
- Expansion into developing countries where economic and social infrastructures are strained is pressuring companies to improve the welfare of the communities in which they operate. (p. 19)

International and national mineral development industry associations have responded to growing expectations of governments and communities by developing extensive CSR programs for companies to earn a social license to operate from communities of interest for their projects. Over the past decade, industry associations at the national scale have created voluntary CSR standards, toolkits and guidelines for companies. These activities are based on principles developed by international networks of government, non-government organizations and industry associations to analyse how the mining industry can transition toward a model of sustainable development. For example, in 1999 the World Business Council for Sustainable Development commissioned the International Institute for Environment and Development (IIED) to develop strategic goals and objectives to guide the CSR practices of the mineral development industry. This initiative served as a catalyst for international and national mining associations to re-evaluate operating principles as companies expanded into diverse political, social, economic and environmental contexts around the world (Institute for Environment and Development, 2002).

The active response of companies to adopt CSR practices has initiated a process of repositioning how mineral exploration and mining companies engage with local communities (Esteves, 2008a; Esteves, 2008b). The rapid adoption of CSR principles has been problematic in certain contexts. Blowfield (2005) argues that CSR has shifted from a policy framework designed to prevent and mitigate negative outcomes from investment, to a new political method of accelerating corporate investment into the development of communities. In this model, corporations are assuming responsibility for the distribution of benefits from resource extraction to communities, and becoming more involved in rural development through their CSR programs. Kemp and Brereton (2006)

analyze how community-corporate relations are often framed as a corporate public relations exercise rather than engagement with the communities to facilitate community development. CSR rhetoric depicts the community as the protectors of the public interest by controlling the ‘social license to operate’ to companies operating in the region. There is a general lack of theorization of what is encompassed by the social license, who is empowered to issue such a license, or what is required to earn and maintain the license?

A company’s license to operate defines what it can and cannot do, and that while in the past companies obtained a license to operate from government, today companies now need to also obtain a ‘social license to operate’ from communities and their neighbourhood. (Idemudia 2009, p. 134)

Idemudia (2009) argues that the concept of a community having the power to approve or deny a project through the issuance of a social license implies that the community or group of stakeholders has the capacity to enforce the conditions upon which the license is granted. Without some form of monitoring or enforcement, the license would lose the implied power that it has to control corporate behaviour within the community.

The expansion of CSR practices, providing resources toward community development, the general lack of legal enforceability to hold companies to their financial commitments to communities, makes communities vulnerable to fluctuating global markets, corporate mergers, sale or corporate bankruptcies. This is especially problematic considering the general voluntariness of most CSR practices. Sadler and Lloyd (2009) describe the growing reliance of governments on CSR programs is creating an “in-between” policy space setting new “extra-local rules for corporate activities” (p. 616). These in-between policy spaces are being created outside of official policy spheres, where political leverage, recommended practices and negotiations dominate how corporations, governments and local communities interact.

The distribution of economic benefits through CSR networks places companies within a larger debate over jurisdictional control and territorial rights. Senior levels of government are able to use their jurisdictional authority over natural resources as a lever

to push corporations into assuming responsibilities for community development. The positive outcome of this political leverage is that corporations are re-examining their role as a part of a greater society. A potentially negative outcome of this practice is that it transfers greater responsibilities for rural development from the government to the private sector. Dependence on corporate donations to fund infrastructure and services for rural communities becomes problematic when the interests of shareholders take precedence over the interests of the public. In principle, CSR programs can empower local communities by providing the opportunity to negotiate greater control and benefit from resource activities occurring in remote regions, and fill the gap left by receding government funding (Cheshire, 2010; Esteves, 2008a; Esteves, 2008b; Kemp & Brereton, 2006; Kemp, 2009; Shanks, 2006; Sosa & Keenan, 2001). In practice, however, CSR is also a political tool to advance the neoliberal economic development agenda by placing more responsibility in the hands of the private sector to distribute benefits from the development of public resources to local communities (Blowfield, 2005; Fidler & Hitch, 2007; Hamann, 2003; Sadler & Lloyd, 2009). Public and private roles and spheres of responsibilities are contested, as private capitalist values begin to negotiate the public interest.

3.5. Regionalism

Communities with limited political leverage to negotiate benefits from CSR programs must rely on more conventional strategies to attract investment. Senior levels of government have rolled-back welfare-state policies and rolled out market-oriented policies pushing communities into adopting more entrepreneurial strategies to attract investment to communities (Markey et al, 2006a; 2006b). Contemporary development theories emphasise the region as the appropriate scale of competition in the global economy (Keating & Loughlin, 1997; Kitson et al, 2004; Porter, 2000; Scott & Storper, 2003). What differentiates ‘new’ regionalism from former regional development strategies is the hegemonic application of global capitalism and neoliberal development policies adopted on a global scale (Soja, 2009). ‘New’ regionalism is rescaling resource regions based on a new set of criteria, based on presenting places of connectivity, places for investment and development. For resource communities, a process of re-

scaling is occurring, as they respond to demands to create a competitive regional identity, to attract global flows of investment (Hamin & Marcucci, 2008).

'New' regionalism advocates creating a shared territorial imagination, moving away from former sectoral local identities. This shared territorial imagination draws upon existing untraded interdependencies and social capital that exist between firms and institutions that are culturally rooted and place-bound within the region (Scott & Storper, 2003). Regionalism occurs internally and externally, through self-organization or imposed by administrative or an analytical process.

Regionalization is the process of forming regions and regionalism the active promotion of regional perspectives...in this broad sense a form of advocacy, an actively practiced belief that regions are useful concepts for achieving a wide range of objectives...As a form of advocacy and collective action regionalism is intrinsically political. (Soja, 2009, p. 259)

'New' regionalism solidifies regions into a territorial space that, "ties together the global and local, the macro and micro, exogenous and endogenous development processes, at a multiplicity of regional scales" (Soja, 2009). The process of creating regional boundaries, symbols and institutions is an expression of political, economic and social strategies to promote the entrepreneurial competitive advantages of multi-scalar, geo-political collaboration for planning and development to compete in the global economy.

Governments are promoting 'new' regionalism within neoliberal development policies, by pushing communities into a process of regionalization, a process of reorganizing socio-spatial relations.

In regional policy, globalisation has become central to arguing that many forms of interventionism are no longer possible or desirable, and that the only viable approach available is supply-side policies which help build internationally competitive regions able to compete in the global market-place for international investment" (Haughton & Counsell, 2004, p. 34)

Contemporary national and international development strategies, brand the region as the ideal scale of competition in the global economy (Scott & Storper, 2003). To become competitive, local governments are adopting strategies to create an attractive environment for resource companies and foreign investors. This includes promoting regional assets, social capital, innovation and institutions to support economic development. Localities are encouraged to combine assets, to identify opportunities for the creation of sectoral clusters that will attract foreign investment (Porter, 2000). Drawing from the collective assets of multiple territories within a region, the cooperative, collective visioning presents the region as a scale of competitive advantage.

Regions as collaborative spaces draw on the existing social, cultural, economic and political relationships to strengthen their competitive advantage by creating place-based development strategies. The region is consolidated into a place, defined by networks of economic, environmental, social, political and cultural connectivity (Wheeler, 2002). The importance of place in contemporary regional development theories asserts more local involvement and control. Regional place-based development strategies propose to: (1) restore local control and democracy, through regional governance structures; (2) increase economic returns through diversification and creating economic clusters; and (3) strengthen a sense of attachment to place by consolidating territorial identities into a unified regional identity (Amin, 2004).

Hall and Stern (2009) describe this as the “process of becoming” as “the formation of new and shared regional identities, ‘structures of expectations’ and institutions” (p. 67). Cooperative objectives of contemporary regional development strategies engage in this process of becoming, by attempting to construct a shared regional identity (Hamin & Marcucci, 2008).

Adopting a place-based approach facilitates the identification and re-conceptualization of rural assets in new and innovative ways. This may refer to natural resources, but it also includes human, social, cultural, and environmental assets that can be recombined and redirected in response to changes at local, regional, national, or international levels. (Reimer & Markey, 2008)

For resource regions, place-based development conceptually represents a shift of power from external government and industrial interests to internally shared regional interests to control the direction of development, and retain the benefits of development within the region.

There is a continued need to examine this process of rescaling socio-spatial relations in different geo-political and geo-historic contexts. Numerous internal and external forces challenge the cohesive, homogeneity of a region,

It is that different micro-worlds find themselves on the same proximate turf, and that the pull on turf in different directions and different interests needs to be actively managed and negotiated, because there is no other turf. In other words, it is a politics shaped by the issues thrown up by living with diversity and sharing a common territorial space. (Amin, 2004, p. 39)

Reimer and Markey (2008) summarise a number of cautions that have been highlighted by various research associated with implementing place-based approaches:

- Devolution to local development authorities may create a democratic deficit where un-elected individuals determine regional priorities;
- Place-based promoters tend to under-represent the continued importance of the state;
- Local development creates a danger of elitism, parochialism, and loss of ability to enforce the broader public interest;
- Interpersonal conflicts at a local level may become more influential and stall policy progress;
- Local and regional development authorities often lack effective sanction abilities – and are therefore ignored; and

- Place-based approaches may conflict with established jurisdictions and require broader institutional restructuring and/or power sharing.
(p. 13)

The rescaling of rural regions to create regional economic development networks present a number of opportunities and challenges for local communities, by creating the opportunity to combine the assets and resources of a series of small urban centres, rather than depending on the somewhat limited resources available in each place. It can also provide a more proactive opportunity for communities to plan for the type of investment they would like to attract, rather than responding to the plans made by senior levels of government. However, new regionalism is theorised primarily for city-regions and the challenges lie in the finding the relevance of urban-based regional development theories to rural regions.

3.6. Conclusion

In a staples-based economy, multi-scalar jurisdictional hierarchies control land use and economic benefit from natural resource extraction distributes power spatially throughout a region. Shifting political-economic objectives have liberated both the state and industry from welfare regional development policies, which connected government investment, economic development and communities to stimulate development. The global extension of capitalism has branded the region as the normative scale of competition and investment. The ongoing process of the liberalization of development policy is placing more responsibility on the private sector to distribute benefits from resource development to local communities through CSR programs. Competing groups are creating new strategies to gain greater control over resource extraction by redefining the roles and responsibilities of government, resource companies and First Nation and local governments. This research investigates how each group uses principles of territory and scale to define where and how economic benefits from resource extraction will flow between government, resource companies and local communities. As will be discussed below, the redefining of socio-spatial relations is challenging jurisdictional hierarchies, redefining boundaries and creating places of inclusion and exclusion on a regional scale.

4. ANALYTICAL FRAMEWORK

4.1. Introduction

The goal of this research is to investigate how governments, corporations and communities use socio-spatial principles to distribute economic benefits generated from resource development. Utilizing a case study, I explore how claims of territoriality and multi-scalar jurisdictional hierarchies are used to define how and why communities access different types of economic benefits from mineral development activities. In northwest British Columbia (NW BC), Canada, First Nation and local governments are demanding that senior levels of government and companies more equitably distribute the economic benefits generated from mineral development activities. This case study brings into question how government policies and CSR are shaping community development in remote resource-based regions.

4.2. Research Questions

The overarching questions that guided the research design are how do socio-spatial relations shape the distribution of economic benefits from resource development and how does the distribution of benefits impact regionalism in remote rural regions? Multi-scalar jurisdictional hierarchies create differentiated roles and responsibilities that define legislated boundaries of interest for levels of government. First Nation and local government jurisdictional boundaries may or may not encompass the same space as a community's claimed territory. First Nation governments claiming territoriality beyond their jurisdictional boundaries may seek to extend their jurisdictional authority over territories using various forms of social power. Therefore, how are socio-spatial principles of territory and jurisdictional scale used to define 'places of benefit' through the distribution of benefit from resource development? How do senior levels of government, companies and First Nation and local governments use these socio-spatial principles to

define access to networks that distribute these benefits? And subsequently, what impact does this have on regionalism in remote areas of resource extraction?

In the context of this research, government refers to the senior levels of government, the Province of British Columbia and the Government of Canada. Within the Canadian multi-scalar jurisdictional hierarchy, the Province of British Columbia has jurisdictional authority over natural resources, environmental assessment (provincial) and local governments, and the Government of Canada has jurisdictional authority over First Nations and environmental assessment (federal). A company refers to all businesses involved in mineral exploration and mining, including sub-contracting companies such as drilling companies that are actively involved in the mineral development industry. First Nation and local governments are the jurisdictional institutions that represent settlements areas in the region.

4.3. Analytical Framework

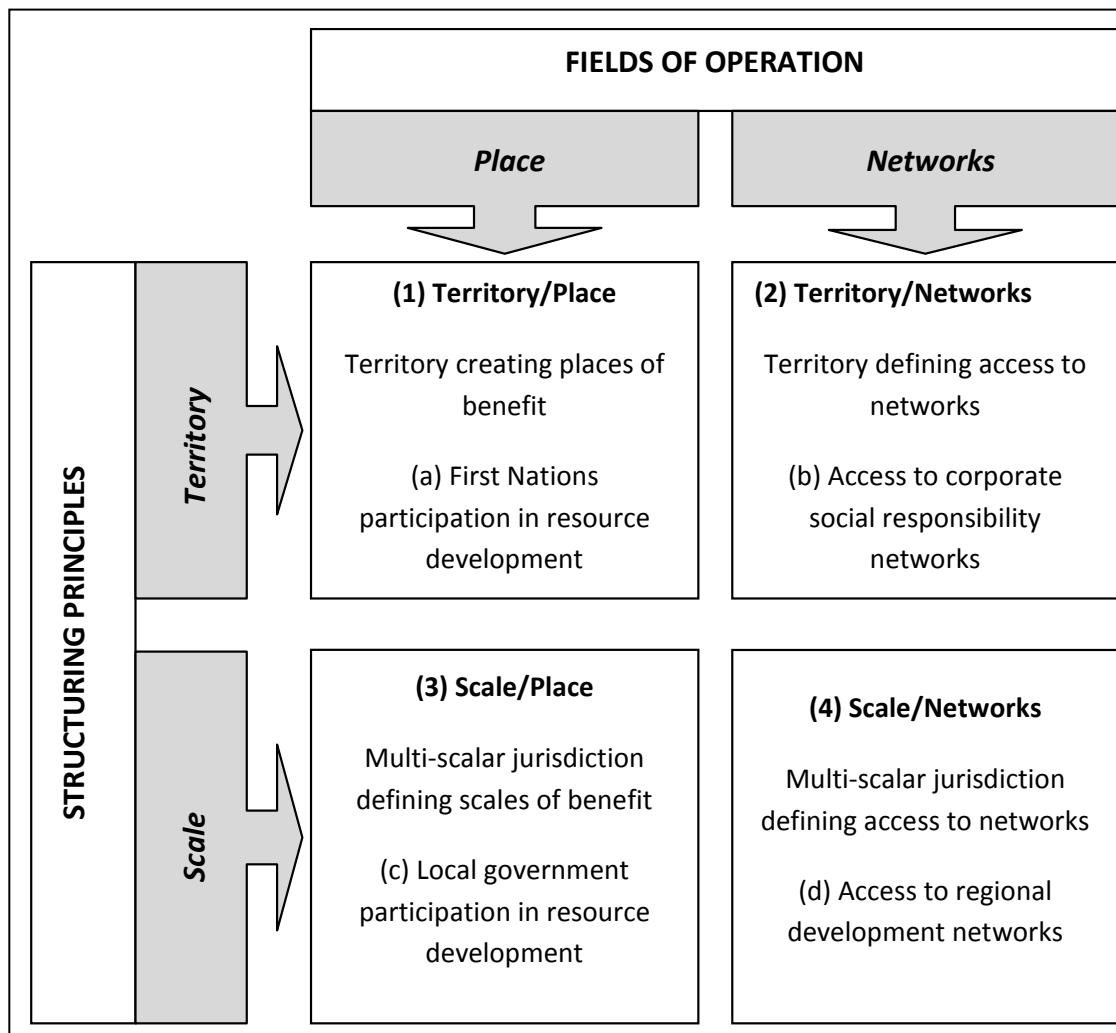
Remote rural regions can consist of multi-scalar jurisdictional institutions from incorporated and unincorporated administrative units, to traditional territories, crown holdings and private property. In the context of resource development, territory and scale differentiate the relationships between groups, defining administrative control over the management of natural resources and the distribution of economic benefits from resource development.

The analytical framework (Figure 2) identifies two phases of analysis. The first phase of analysis examines how territory and jurisdictional scale operate to define ‘places of benefit’ in remote rural regions. I define a ‘place of benefit’ as areal differentiations that define why economic benefits should be directed to specific communities within the region. I compare how government, companies and First Nation and local government use territory and the multi-scalar jurisdictional hierarchy to define why communities will gain economic benefits from mineral development within the region.

First, for this study, the structuring principles of each dimension are examined to understand the patterning affects of territory, scale, place and networks within a space.

What territorial strategies exist? What multi-scalar jurisdictional hierarchies exist? Which places are gaining economic benefit from resource development? What networks are distributing economic benefits from resource extraction? This descriptive investigation provides the foundation for understanding the structures of socio-spatial relations. Second, I analyze how territory and scale interact in the creation of 'places of benefit' and access to networks. How are claims of territoriality used to define 'places of benefit'? How does the multi-scalar jurisdictional hierarchy create scales of benefit?

Figure 2 Analytical Framework



The second phase of analysis examines how territory and jurisdictional scale define access to CSR and regional development networks that are actively distributing economic benefits to communities in the region. How are claims of territoriality used to gain access to CSR networks? How does the multi-scalar jurisdictional hierarchy define access to regional development networks?

These two phases of analysis seek to gain a better understanding of how socio-spatial principles are used to control the flow of economic benefits to communities and how this affects inter-community collaboration and regionalism. The utility of this framework lies in the recognition of multiple socio-spatial principles operating within a regional space, and how these principles are used by senior governments, companies and First Nation and local governments to distribute economic benefits access to within the region.

4.4. Methodology

This study uses an instrumental case study to focus on an issue or concern investigated through the selection of a bounded case to illustrate the issue (Creswell, 2007). Using a qualitative approach, “The investigator explores a bounded system (a case) or multiple bounded systems (cases) over time, through detailed, in-depth data collection involving multiple sources of information (e.g. observations, interviews, audiovisual material and documents and reports), and reports a case description and case-based themes” (p. 73). The issue of study is the socio-spatial relations between senior levels of government, mineral development companies and First Nation and local governments in remote rural regions and how principles of territory and scale are used to distribute economic benefits from mineral development. The bounded system selected for the study is the remote resource dependent region of northwest British Columbia.

The case study situates the region within its larger historic, social, economic, environmental and political context as a foundation to understand the contemporary functioning of government, corporate and community relations in the broader political economy of North American resource economies. Using an embedded analytical approach, I selected analytical components to be presented in the case. These analytical components are presented as (a), (b), (c) and (d) above in Figure 2. Creswell (2007) describes an embedded analysis as having three key components. First, a description of the case such as the history, chronology of events and contextual information is presented. Second, focus is given to few key issues as analysis of themes emerging from the data; these are presented not for generalization beyond the case, but for understanding the complexity of the case. Third, a discussion of the meaning of the case and what has been learned about the issue.

Reed (1993) states, “case studies are suitable for examining how human beings use and transform available resources at the local level and for understanding how and why patterns of interaction emerge overtime” (p. 245). The use of a case study methodology allows for an in-depth investigation of the dynamics of the socio-spatial relations related to the development of one specific resource industry in a specific region. “The strength of the methodology comes from a richness of detail and its validity

is derived from the cogency of reasoning which links conceptual classifications to empirical evidence" (Reed, 1993, p. 245). A case study analysis is an ideal methodology for a multi-dimensional analysis of socio-spatial relations because it allows for a detailed analysis of the complexities of multi-scalar institutions, offering a historic and contemporary context to territorial disputes and an up-close understanding of the political, economic, cultural and social context, contributes a greater understanding of the multitude of interactions occurring within a regional space. The richness of this approach is in the revelation of the connections between political, economic, social and environmental components influencing regionalism.

4.5. Case study selection

NW BC is a remote space, in the northern area of the province of British Columbia. British Columbia has a mountainous mainly forested landscape. Markey et al (2010) describe the unique context of settlement in northern British Columbia,

As a network of very small urban nodes, linked along two or three key transportation corridors, and organized into a distinct hierarchy complete with one regional centres (Prince George) and several sub-regional centres, all embedded in an expansive and sparsely populated landscape. (p. 160)

In the NW, one major east-west Highway connects the region to the rest of the country. The TransCanada Yellowhead Highway connects the coast with the largest settlement, the City of Prince George, and eastward to the Province of Alberta and the rest of Canada. There is not a north south Highway providing access from NW British Columbia to the southern settlement area, referred to as the Lower Mainland, which includes the largest urban centre in the province, the City of Vancouver and the City of Victoria located on Vancouver Island. To travel by land to southern BC, one must travel approximately 700 km east on the Yellowhead Highway to Prince George to connect with the north-south Highway 97 corridor. There is a northern Highway corridor along Highway 37, connecting into the Yukon Territory and a westbound corridor links to Alaska and eastbound to Highway system.

Three small regional airports service the region out of the City of Prince Rupert, City of Terrace and Town of Smithers. Additionally, there is a ferry service from Prince Rupert to Vancouver Island. Central to this description is to convey the relative remoteness of this area, the terrain and how weather and distance are important components of the NW context. For residents living in communities along the Yellowhead Highway, transportation in and out of the region is both time consuming and costly. To drive from the city of Terrace to Vancouver is over 1300 km or 18 hours of driving, usually done over two days. Flying from Terrace to Vancouver costs approximately \$300 one-way. For residents living north of the Yellowhead Highway along Highway 37, making the connection south, can add an additional 580 km for residents of Dease Lake or 300 km for residents of Stewart. These distances are a defining component of the region. Table 4 provides a general description of the research area.

Table 4: Summary of NW BC Research Area

Jurisdiction Structure	Number	Population
Regional Districts and Unincorporated Areas	3	26,049
Municipalities	13	36,142
Indian Reserves, First Nation or Tribal Council Affiliations	79	7,904
First Nation Treaty Government	1	1,909
Total	96	72,004

Sources: (Statistics Canada. 2012a, 2012b, 2012c).

NW BC is composed of a multi-scalar jurisdictional hierarchy that defines relationships between levels of government. Local governments are primarily structured as municipalities, regional districts, First Nation bands and traditional First Nation governments. The structure of incorporated municipalities and regional districts fall under provincial jurisdiction and the structure of First Nations band governments fall under federal jurisdiction. Regional districts serve as both a regional cooperative governance structure for municipalities to negotiate shared issues and services and serve as the local government body for people living in unincorporated communities. There is a jurisdictional separation between local government institutions (municipalities

and regional districts) and First Nation government institutions (bands and traditional governments). Traditional First Nation governments are under neither provincial nor federal jurisdiction and follow unique traditional systems of governance. First Nation bands and traditional First Nation governments are not a part of the regional district structure, although geographically, First Nation territories are overlapping within the same space.

To add to the complexity, First Nation bands and traditional governments assert title over provincial Crown lands, claiming not only jurisdictional control over land and resources, but also contesting the Crown's property rights within their traditional territories. This is a significant distinction between First Nation and non-First Nation governments within the region. Municipal and regional district property rights within their jurisdictional boundaries are normally limited to lands used to provide public services, such as community infrastructure or lands they have purchased for specific developments. The federal government has retained title to lands and resources on First Nation reserves, and the jurisdictional powers of the band government are limited by the scope of federal statute.

For this study, I focus on the mineral development activities occurring or planned within jurisdictional boundaries of the Regional Districts of Kitimat-Stikine and Bulkley-Nechako, the Region of Stikine (an unincorporated region under the direct jurisdiction of the Province of British Columbia), and the Nisga'a Nation a research area of 296,484 km² (See Appendix A for a map and detailed description of municipalities and First Nation within each regional district). Table 5 outlines the selection criteria used to identify the case study region. The historic and contemporary economic and political dynamics of NW BC provide an excellent context for conducting the case study analysis.

Table 5: Case Study Region Selection Criteria

Dynamic	Description
1. Resource periphery	<ul style="list-style-type: none"> NW BC is located 1300 km from Vancouver, the economic and population hub of the province Colonial settlement of the area was predicated on resource extraction primarily fishing, minerals and forestry Extensive economic restructuring has been occurring in the region over the past twenty years brought on by post-fordism and globalization
2. Active expansion of a resource sector	<ul style="list-style-type: none"> The Province of British Columbia has been encouraging the expansion of mineral exploration and mining through resource management plans, investment in infrastructure and incentive programs
3. Polycentric governance system	<ul style="list-style-type: none"> Senior levels of government retain jurisdictional control over natural resource development Multi-scalar governing structure for municipalities, regional districts, First Nations Bands and First Nation traditional governments
4. Competing territorial claims	<ul style="list-style-type: none"> First Nation governments are in negotiation of treaties with the Government of Canada to gain jurisdiction and title over traditional territories The Nisga'a Nation is located within NW BC the first modern treaty signed in British Columbia in 1999 The Haida, Wet'suwet'en and Gitksan First Nations governments have successfully contested their exclusion from land and resource decisions occurring within their traditional territories to the Supreme Court of Canada
5. Regional development strategies	<ul style="list-style-type: none"> There are numerous government-led and industry-led regional development agendas in NW BC targeting the expansion of mineral exploration and mining development Industry led lobby groups such as Empower Highway 37 have been branding the NW as a region for development First Nation, municipal and regional district governments have been collaborating on marketing strategies The Northern Development Initiative Trust (a regional funding agency, has been funding development initiatives and has partnered with Geoscience BC to launch the Quest-west to gather more geological data to facilitate mineral development and created the Invest Northwest investment attraction web site

4.6. Methods

Primary data collection occurred in three research trips to northern British Columbia. The first research trip took place from April 28 to May 12, 2009, in which I accompanied Dr. Markey to the communities of Terrace, Smithers, Stewart and Dease

Lake. Dr. Markey led interviews as part of a research project he was conducting in northern British Columbia. I accompanied Dr. Markey on 10 of the 15 interviews conducted on this trip (Don Manson from Community Development Institute at the University of Northern British Columbia joined the research team for three interviews) and I conducted two interviews and attended one mining industry event independently.

The results from the 2009 interviews provided preliminary information for the development of this research. The second research trip to the region took place from April 19, 2010 to May 18, 2010. I independently attended one industry event, one environment assessment public consultation meeting, the 10th Anniversary of the Nisga'a Treaty celebration and conducted 30 interviews in Prince George, Burns Lake, Houston, Smithers, Terrace, Stewart, and Kitimat. In addition, I conducted three interviews in Vancouver from June 8 to 14 and then returned to Smithers from June 16 to 19 to participate in the *Planning for Crown-Settlement Interface Land* conference, ending my 2010 field research trip in Victoria from June 21 to 24 where I conducted six interviews. The final field research trip took place from April 26 to May 5, 2011 to attend a mining industry event and to conduct six interviews in Terrace and New Aiyansh. Prior to my arrival in the region in 2011, I released a resource web site to research participants highlighting findings from the research www.csrguide.wordpress.com.

I have employed three main research methods: key informant interviews, participate observation and document review. I conducted key informant interviews in person with the exception of two interviews conducted by telephone. The interviews used a structured questionnaire guide but permitted flexibility for participants to explore their thoughts and ideas about the topic or highlight related issued (see Appendix B for interview guides). Table 6 sorts the key informant interviews into nine categories and the number of interviews conducted for each category.

Table 6: Key Informant Interviews

Informant Category	Number of Interviews
Community Member	2
Economic Development Organization	10
First Nation	4
Company	3
Industry Association	4
Local Government	29
Local Government Association	1
Provincial Government	6
Research Organization	4
Total	63

The focus of key informant interviews was to select representatives from senior levels of government, mineral development industry associations or companies and local communities (local government and First Nations) who could speak to the multi-scalar jurisdictional hierarchy governing mineral development, industry corporate social responsibility programs and company practices, and how local communities attempt to gain access to economic benefits from resource development occurring within the region. Dr. Markey and colleagues from the Community Development Institute at the University of Northern British Columbia suggested key contacts in the region. In addition, I accessed government directories, industry directories and relied on the snowball effect of participant referral to other key people in the region. Participants were first contacted by email to introduce the study, followed by a request for an interview during one of the field visits. Follow-up telephone calls were used to schedule details or make contact with participants who were recommended by other participants while in the field.

I conducted participant observation at 10 industry, community or government events, which also aided in identifying key informants (Table 7). As a participant observer, I registered and attended three mining industry conferences, three mining industry CSR symposiums, one environmental assessment public meeting, one-community event and I was an invited speaker and participant at one regional planning conference. At the mining conference events and CSR symposiums, I registered as a

student participant and attended sessions with a CSR theme and information session related to mineral development planned for NW BC. I took notes during presentations and when possible asked questions during the public question period. At the environmental assessment public meeting I attended as a member of the public and asked questions of the company and government representatives. At the community event I received permission from the organizers to attend an observed the program of events. Lastly, at the regional planning conference I was invited to give a presentation about my research and participated in group discussions related to planning issues in remote resource-based regions.

Table 7: Participant Observation Events

Event	Theme	Location	Date
Smithers Chamber of Commerce Mining Week Luncheon	Mineral exploration and mining in NW BC	Smithers, BC	May 2009
International Law Symposium	Corporate social responsibility in mining	Toronto, ON	January 2010
Minerals North	Mineral exploration and mining in northern British Columbia	Prince George, BC	May 2010
NW Transmission Line Environmental Assessment Public Consultation Meeting	Public meeting for the provincial EA certificate	Smithers, BC	May 2010
10th Anniversary of the Nisga'a Treaty Celebration	Cultural and political public event to celebrate 10 years since the signing of the Nisga'a Final Agreement	New Aiyansh, BC	May 2010
Planning for Crown-Settlement Interface Land	Academic-practitioner land use planning conference	Smithers, BC	June 2010
Prospectors Developers Association of Canada	Largest mining conference in the world CSR stream events	Toronto, ON	March 2011 & March 2012
Minerals North	Mineral exploration and mining in northern British Columbia	Stewart, BC	April 2011
Civic Forum and CEO Summit on Building Corporate Responsibility	CSR and mining	Toronto, ON	October 2011

Lastly, to gain a greater understanding the jurisdictional structures, resource development, Aboriginal law and regional development I conducted an extensive document review of legislation, court cases, policy documents, and reviewed

government, industry and community web sites (a list of these resources can be viewed in the References).

Interview transcripts, field notes and policy documents were coded using a concept driven coding system (Gibbs, 2007). Codes were derived from concepts drawn from the literature, previous studies and topics from the interview guide. Three descriptive code groups were defined: territory/place, territory/networks, scale/place and scale/networks. Under each group categories were established with corresponding analytical codes. Table 8 outlines the coding system.

Table 8: Coding system

<p>1. Territory/Place</p> <p>1.1. First Nation Communities</p> <p> 1.1.1. Inclusion and exclusion</p> <p> 1.1.1.1. Displacement of First Nations</p> <p> 1.1.1.2. First Nations rights and title</p> <p>1.2. Economic benefits</p> <p> 1.2.1.1. Types of benefits</p> <p> 1.2.1.2. Strategies to gain benefits</p>
<p>2. Territory/Networks</p> <p>2.1. Corporate social responsibility mineral exploration and mining</p> <p> 2.1.1. Industry programs</p> <p> 2.1.2. Company practices</p> <p> 2.1.3. Social license to operate</p> <p>2.2. Community-corporate relations</p> <p> 2.2.1. First Nations-CSR</p> <p> 2.2.2. Local government-CSR</p>
<p>3. Scale/Place</p> <p>3.1. Jurisdictional structure</p> <p> 3.1.1. Local government role and responsibilities – service delivery</p> <p> 3.1.2. Local government role and responsibilities- mineral development</p> <p> 3.1.3. Provincial government role and responsibility – funding</p> <p> 3.1.4. Provincial government roles and responsibility – mineral development</p> <p>3.2. Economic benefits</p> <p> 3.2.1. Types of benefits</p> <p> 3.2.2. Strategies to gain benefits</p>
<p>4. Scale/Networks</p> <p>4.1. Regionalism</p> <p> 4.1.1. Collaborations between levels of government</p> <p> 4.1.2. Competition between levels of government</p> <p>4.2. Participation</p> <p> 4.2.1. Types of networks</p> <p> 4.2.2. Functioning of networks</p>

4.7. Conclusion

The case study of NW BC provides the opportunity for an in-depth analysis of the socio-spatial relations occurring within a regional space. The qualitative methodology allows for a contextualization of resource development in the region from the perspective of a variety of actors. The cumulative time spent in the field conducting interviews and attending industry events provided the experience to understand the complexity of the relationships between communities, industry and governments.

In the following chapters, I build the case study of mineral development in NW BC. In chapter five, I begin by building the political and economic context of mineral development in the British Columbia and in the region. I discuss the significance of mineral exploration and mining in the context of the colonial history of the province, describing how industry and government are working together to promote the expansion of mineral development in NW BC over the past decade.

In chapter six, I begin the analysis of the socio-spatial structures shaping government, industry and community relations in the region. Chapter six discusses the territorial dispute between the governments of Canada and British Columbia with First Nations across the province by providing the legal and political context of Aboriginal rights and title. This chapter concludes with examples of how First Nation governments use territoriality to define their traditional territories as places that should receive economic benefits from mineral development.

The territorial strategy of First Nation governments to assert rights and title over land and resources is then compared to the jurisdictional context of local governments in the region in chapter 7. Municipal and regional district governments operate within a multi-scalar jurisdiction structure that rigidly defines their rights, roles and responsibilities in relation to mineral development. I discuss how regional districts and municipalities relate to senior levels of government, First Nation governments and mineral development companies in an attempt to gain economic benefit from increasing mineral activity.

In chapters eight, I move into the second phase of analysis by exploring how First Nation and local governments gain access to corporate social responsibility and

regional development networks. I discuss how First Nation and local governments have differentiated access to networks that distribute economic benefits from mineral development. This discussion is concluded in chapter nine, where I examine the impact these practices are having of rural development.

5. “MINING RENAISSANCE” IN BRITISH COLUMBIA

“After years of decline in mining in British Columbia we are now seeing a renaissance, we’re seeing many new mining projects and this is important because there are major projects that are coming to an end, so we need these new mines”

(Mining Association of British Columbia, 2010)

5.1. Introduction

In this chapter, I discuss the political and economic context of mining in British Columbia. Communities in NW BC are economically dependent on resource extraction to provide employment and associated investment to the region. The renaissance of the mining industry in British Columbia is a shared strategy between the provincial government and industry. I argue that the provincial government has adopted a neoliberal policy designed to create a jurisdiction of certainty in an uncertain geopolitical context. The ongoing negotiations of First Nation treaties, pose a risk for mineral companies. To mitigate this risk, the mineral development industry is creating corporate social responsibility (CSR) standards for companies to implement. This involves the negotiation of support for mineral exploration and mining projects directly with First Nation governments in exchange for economic benefits. The provincial government views this practice as a win-win-win situation. The Province can continue to collect tax revenue from mineral development, companies can calm the fears of investors by mitigating the threat of First Nation governments contesting their projects and First Nation governments are gaining access to economic benefits from resource development occurring within their traditional territories. This practice raises questions of the role of government and industry for the distribution of benefits to local communities, and the relationship between territory and scale in resource development.

5.2. Mining in British Columbia

The mining industry in British Columbia assumes a privileged position in the provincial economy and political influence. Mining has played a central role in the colonial history of the province. “Established through an act of the BC Legislature in 1901 to represent the interests of BC’s mining industry, the Mining Association of British Columbia (MABC) is one of the oldest industry associations in the province...” (Mining Association of British Columbia, 2011). Harris (2008) explains how the influx of miners in the mid-nineteenth century had an impactful structuring effect on the relationships between the mining industry, governments and First Nations. “The rush had its own energy – the prospect of instant wealth and upward social mobility – and operated in space over which initially the British government had little control” (Harris, 2008, p. 433). The majority of miners entering British Columbia in the 1858 arrived from California, and with them, brought the technologies, institutions and values that had developed during the California gold rush in the 1840s.

Some thirty thousand miners arrived... elected committees of miners administered versions of Californian mining laws...When fighting broke out, the miners fell back on techniques of Indian fighting developed in the American southwest. Armed with six-shooters and spiral-bored rifles, they organized themselves into companies, elected captains and other officers, and proceeded in paramilitary order. (Harris, 2008, p. 432)

As Harris describes, the influx of people entering British Columbia brought with them political and economic structures and social values that were applied across the landscape, shaping the socio-spatial relations between miners, the new governments of British Columbia and First Nations traditional governments.

The lobbying efforts of the Mining Association of British Columbia (MABC) and the Association of Mineral Exploration British Columbia (AME BC) demand preferential standing based on the historic role the industry has played in the development of the province and the prosperity new mining projects will bring to the provincial economy.

Mining is an essential part of the provincial economy and keeping it there is one of the primary goals of the MABC. Public and political attitudes figure prominently in the activities of the association. We liaise with government legislators, lobby for regulatory advancement and publicly promote the economic and social value of mining. We are tireless in our efforts to keep the interests of our members and the value of mining forefront in the minds of those who need to know. Our job is to help clear the public and political paths essential to our industry's future growth and development. (Mining Association of British Columbia, 2011)

For the government, the mining industry holds great potential for public fiscal benefit through job creation and the generation of resource tax revenue for the province (McAllister & Alexander, 1997). In British Columbia, the provincial government has introduced what can be characterised as a neoliberal mining strategy, aimed at reducing barriers to attract investment for the extraction of mineral resources. The federal and provincial governments invest millions of dollars to advance the collection of geosciences data, the development of infrastructure and the implementation of land and resource management planning all with the goal of enabling resource development. The provincial government uses their jurisdictional authority and title over Crown lands and natural resources, to sell mineral claims and in-return collects a portion of the company's profits in the form of taxation.

The Province of British Columbia's economic development strategy promotes advancing the competitive advantage of mineral development by encouraging mineral exploration and the opening of new mines (Ministry of Energy and Mines, 2012). This strategy began with the adoption of the *BC Mining Plan* (Ministry of Energy, Mines and Petroleum Resources, 2005) which outlined four cornerstone principles for development: (1) Focus on Communities (2) Protecting Workers, Protecting the Environment (3) Global Competitiveness and (4) Access to Land. The government has created a number of policies and programs to support the expansion of the industry. These include:

- Elimination or reduction of taxes on aspects of mineral exploration and mine development;
- Investment in geosciences information to further mineral exploration;
- Resource revenue sharing programs with First Nations; and
- Investment in infrastructure, such extending the electrical grid into remote areas of the province. (Ministry of Energy, Mining and Petroleum Resources, 2005)

The implementation of these strategies requires creating an ease of access to land and resources, encouraging communities and industry to work together through public-private partnerships, and by ensuring a stable policy environment (Ministry of Energy, Mines and Petroleum Resources, 2005).

In 2011, there were 9 coalmines, 27 industrial mines and 11 metal mines operating in BC; and 28 mines (all categories) in the permitting or environmental assessment stage of development (Mining Association of British Columbia, 2012). The mineral exploration and mining sector created approximately 14,000 mining jobs, over 7,500 jobs in support services for the industry, and 6,100 jobs in metal manufacturing (BC Stats, 2012). British Columbia competes with other Canadian and foreign jurisdictions to attract foreign investment.

Central to the *BC Mining Plan* is to create an attractive jurisdictional environment for investment. This includes implementing policy and adapting regulation to improve British Columbia's image as an attractive mining jurisdiction, by creating an environment of certainty for investors, a predictable regulatory system, attractive tax incentives and invest in infrastructure to create an ease of access to the minerals in the BC hinterland (Ministry of Energy and Mines, 2012). In an international survey of mineral sector companies and investors, British Columbia ranks 36th out of 79 global jurisdictions and last amongst the Canadian provinces and territories as favourable jurisdictions for mineral development (Fraser Institute, 2011). "BC continues to be viewed poorly, with respondents citing land claims issues, environmental uncertainty, and political turmoil at the provincial level as reasons to remain hesitant about investing in British Columbia"

(Fraser Institute, 2011). Unresolved treaty settlements with First Nation governments threaten plans for increased development of mineral resources. Many First Nation governments are challenging the province's title and jurisdiction to sell mineral claims and collect taxation from the sale of minerals. For industry, land claim disputes and ongoing treaty negotiations make British Columbia an unfavourable jurisdiction for investment. The provincial government is attempting to improve the province's attractiveness, by focusing on creating interim solutions with industry and First Nation governments to reduce political conflicts over mineral exploration and mining projects within First Nations territories. This includes the participation of First Nations in land and resource management planning and working with industry to create interim access to First Nations territories through the implementation of CSR programs.

5.3. Land and resource management planning

In the 1990s, the provincial government implemented a land and resource management planning (LRMP) program to work with local communities to identify zones for resource development and regional resource-based economic development priorities. The LRMPs are designed to: reduce land use conflicts between the government, industry, First Nations and the public by improving land use certainty and economic stability; by generating economic opportunities, investment and jobs and to achieve healthy communities and ensure long-term viability of the environment (Ministry of Natural Resource Operations, 2011).

The LRMP uses a collaborative planning approach “to resolve disputes among competing stakeholders over the use of scarce natural resources” (Frame et al, 2004, p. 59). The plan establishes direction for land use and specifies broad resource management objectives and strategies through the designation of protected areas and policies for resource use and extraction. In many plans, these policies are the foundation for building regional economic development strategies and in recent years, provide the foundation for building land use agreements with First Nations.

In 2010, the Ministry of Natural Resource reported there were six completed LRMPs in NW BC, three in development and two areas not covered by a completed or in

progress LRMP in NW British Columbia. The *Cassiar Iskut - Stikine Land and Resource Management Plan* encompasses a large portion of the Regional District of Kitimat-Stikine and the Tahltan First Nation territory, where there are high levels of mineral exploration and anticipated mining projects. The Regional District and Tahltan Central Committee participated in the development of the plan in the late 1990s. In 2000, the LRMP was completed and contained strategies to enhance local opportunities in forestry, mining, tourism fisheries, agricultural botanical forest products/medicinal plant and government infrastructure and capacity building (Government of British Columbia, 2000). The LRMP identifies 14 protected areas that are restricted from resource extraction and defines the following goals for mineral development in the region:

Goals/ Desired Future State

- A world class mining and energy industry based on the area's globally significant mineral and energy resources, supported by well-designed infrastructure;
 - An economically and environmentally sound mining industry that provides long term benefits to the local community;
 - Certainty of access to support a viable exploration industry; and
 - Responsible mineral and energy projects approved in an efficient and timely manner and carried out with high standards of environmental management, including mine reclamation.
- (Government of British Columbia, 2000)

A series of objectives detail the priorities for government, industry and communities related to the above goals. Objective 7, speaks specifically to the expectations for local economic benefits for communities and corporate-community relations:

- Promote mineral and energy related local business and services as well as job opportunities that have economic and employment benefits that include future generations;

- Encourage the processing of resources within the region, in so far as it may be economically feasible and environmentally and socially appropriate;
- Encourage additional employment and training opportunities for local residents;
- Increase the capacity for local business development and employment related to the exploration and development industries; and
- Encourage additional community services such as infrastructure and facilities which come from industry directly or through channeling of the taxation dollars paid by industry. (Government of British Columbia, 2000)

Capturing economic benefits from mineral development for First Nation and local governments is a central theme of the LRMP objectives. The plan identifies three key strategies and associated actions for how the Tahltan First Nation and Regional District of Kitimat-Stikine can benefit from mining in the region:

Strategy 1: Support sustainable growth in the mining industry

Actions:

- Encourage the provincial government to invest in infrastructure development (e.g., electricity, transportation access, etc.);
- Identify priority areas for the Ministry of Energy Mines to conduct surveys and geotechnical analysis; and
- Increase public awareness of the value of the mining industry through mine tours and open houses and the development of interpretive signs (e.g., at rest stops), brochures, etc.

Strategy 2: Increase local benefits from the mining industry

Actions:

- Encourage mining companies to increase the amount of hiring and servicing done in local communities (e.g., establish a brokering service to bring local service providers and mining companies together or establish and promote a centralized labour pool);
- Encourage the provincial government to reinvest a portion of mining tax revenues back into community (e.g., grant in lieu of taxes);
- Work with mining companies to identify local servicing and employment opportunities; and
- Encourage mining companies to invest in surrounding communities through civic projects, employment training and education, etc.

Strategy 3: Improve local capacity (workforce, business sector and prospectors) to work in the mining industry

Actions:

- Work with mining companies to identify local servicing and employment opportunities
- Undertake a training needs analysis
- Provide access to required training, apprenticeship and skill development programs
- Provide training and identify opportunities for prospecting
- Provide training in entrepreneurship and small business skills
- Monitor key events and project developments and communicate these locally

- Establish a brokering service to bring local service providers and mining companies together
- Determine the feasibility of establishing and promoting a centralized labour pool. (Government of British Columbia, 2000)

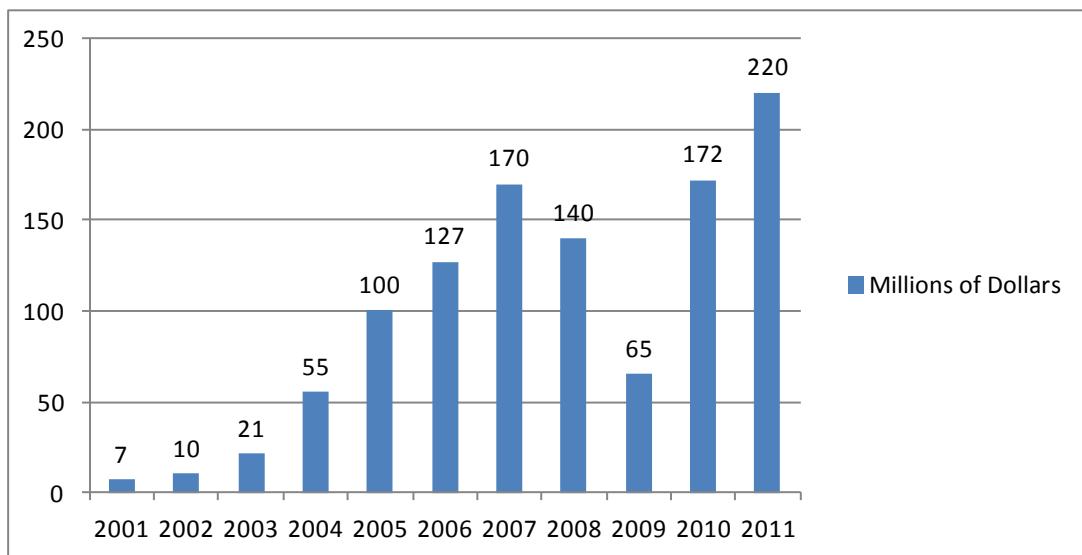
At the time that the Cassiar Iskut - Stikine Land and Resource Management Plan was in development, the Barrick Gold Eskay Creek mine was in production. Since the completion of the LRMP in 2000, a new mine has not been opened in the Cassiar Iskut-Stikine area, however, investment in mineral exploration has significantly increased over the past decade.

As will be discussed below, the recent approval for the construction of the NW transmission line along the Highway 37 will facilitate the development of a number of new mines in the area. There has been varying success in expanding the LRMP into a regional economic development strategy. Whereas the Tahltan Central Council has developed a sophisticated economic development structure to capitalize on developments occurring within their territories, an economic development strategy for the Regional District of Kitimat-Stikine has been more piece-meal, with individual municipalities taking on a variety of strategies to attract investment in an attempt to benefit from existing or planned mineral development in the region.

5.4. Mining in NW BC

Industry and government have invested millions of dollars to expand mineral exploration and mining in NW BC. Strong commodity global commodity prices, has increased demand from overseas markets and competitive taxes have attracted investment to the province over the past decade (Ministry of Energy and Mines and Responsible for Housing, 2012). The economic downturn in late 2008 and 2009, caused a serious retraction of investment, but strong commodity prices have helped the sector recover, expenditures hitting a decade high exceeding \$200 million dollars in 2011 (Kyba, 2011). Currently, there is more mineral exploration than mining underway in NW BC. Over \$1 billion has been invested in mineral exploration in NW BC over the past decade (Figure 3).

Figure 3: Annual Exploration Expenditures NW BC



Source: (Kyba, 2011)

Investment in mineral exploration is increasing employment in mining and associated occupations in the region. Table 9 presents employment by industry organized by regional district reported in the 2001 and 2006 Canada Census.

Table 9: Changes in Employment by Industry by Regional District 2001 – 2006 Census Data

NAICS Category	Employment by Regional District 2001 and 2006 Census Data								
	2001	2006	Change	2001	2006	Change	2001	2006	Change in employment
	Kitimat-Stikine	Kitimat-Stikine		Bulkley-Nechako	Bulkley-Nechako		Stikine	Stikine	
11 Agriculture, forestry, fishing and hunting	1425	1175	-250	3070	3070	0	25	25	0
21 Mining and oil and gas extraction	140	205	65	535	745	210	25	50	25
22 Utilities	145	100	-45	75	45	-30	20	10	-10
23 Construction	1380	1135	-245	1075	1005	-70	145	85	-60
31-33 Manufacturing	3605	2980	-625	3730	3435	-295	10	20	10
41 Wholesale trade	380	315	-65	330	330	0	0	0	0
44-45 Retail trade	2345	1905	-440	2140	1805	-335	35	40	5
48-49 Transportation and warehousing	1125	1000	-125	1040	1110	70	55	60	5
51 Information and cultural industries	250	315	65	205	95	-110	10	0	-10
52 Finance and insurance	415	370	-45	395	315	-80	25	10	-15
53 Real estate and rental and leasing	190	175	-15	140	315	175	15	0	-15
54 Professional, scientific and technical services	525	570	45	830	615	-215	10	40	30
55 Management of companies and enterprises	0	15	15	15	15	0	0	0	0
56 Administrative and support, waste management and remediation services	540	555	15	420	345	-75	20	20	0
61 Educational services	1630	1730	100	1620	1885	265	45	95	50
62 Health care and social assistance	2015	2070	55	1675	1475	-200	45	50	5
71 Arts, entertainment and recreation	285	325	40	315	250	-65	10	15	5
72 Accommodation and food services	1370	1350	-20	1220	1270	50	75	40	-35
81 Other services (except public administration)	805	755	-50	850	885	35	20	15	-5
91 Public administration	1650	1545	-105	1525	1190	-335	165	110	-55

Source: (BC Stats, 2011)

The Regional District of Kitimat-Stikine experienced a -250 change of employment in agriculture, forestry, fishing and hunting, whilst employment in those industries remained stable in the other two regions. All three regional districts have experienced an increase in employment in mining and oil and gas extraction. Currently there are two mines operating in NW BC, Endako (Thompson Creek Metals) and Huckleberry (Imperial Metals) these mines project to be in operation until 2028 and 2021 respectively both located within the boundaries of the Regional District of Bulkley-Nechako (Kyba, 2011). The Ministry of Energy, Mines and Petroleum Resources reported that companies spent \$64.7 million dollars on mineral exploration activities in NW BC in 2009, which was distributed to eight communities in the region, employing 141 people in the field (Grieve et al, 2010) (see Appendix C for map of communities benefiting from mineral explorations).

Table 10 lists an updated June 2011 inventory of mining related projects planned for NW BC. Many of the listed projects are dependent on the construction of the NW Transmission Line (NWTL). The NWTL is a 335 km electrical transmission line extending electricity further north into the region to provide energy for mines proposed in the region. For example, The Red Chris Porphyry Copper/Gold Project, located off Highway 37, describes the project as conditional on the completion of the NWTL, “the financing for mine development has been secured with the condition that the power grid up the Hwy 37 corridor be extended to near the mine location” (Ministry of Jobs, Tourism and Innovation, 2011, p. 118). For years, industry has rallied support from local government to lobby the provincial and federal government to invest in electricity infrastructure to open up the NW region for mineral development. In February 2012, the NWTL received environmental assessment approval and construction is planned to begin summer of 2012.

Table 10: Major Project Inventory June 2011

Regional District	Name of Project	Status	Start	Finish
Stikine	Tulsequah Chief Mine	Proposed Dec 1997	2011	-
	Ruby Creek Molybdenum Mine	On hold	-	-
	New Polaris Gold Mine	Proposed Mar 2004	-	-
Kitimat-Stikine	Turnagain Nickel Project	Proposed Mar 2008	2015	2017
	Brucejack Gold Project	Proposed June 2011	-	-
	GJ Kinaskan Lake Copper-Gold Project	Proposed Dec 2008	-	-
	Snowfield Gold Project	Proposed Dec 2008	-	-
	Mount Klappan Coal Mine	Construction Started 2004	2010	2011
	Red Chris Porphyry Copper/Gold Project	Proposed Sep 1997	-	2013
	Galore Creek Gold/Silver/ Copper Mine	On hold	2013	-
	Kerr - Sulphurets - Mitchell (KSM) Gold/Copper Mine	Proposed Sep 2008	-	-
	Bronson Slope Mine Copper/Gold/Silver/Molybdenum	Proposed Dec 1997	-	-
	Kutcho Creek Mine Project	Proposed Jun 2006	-	-
Bulkley-Nechako	Endako Mine Expansion	Construction started	2009	2011
	Harmony Gold Mine	Proposed Sep 2005	-	-
	Morrison Copper-Gold Mine	Proposed Jun 2004	-	-
	Davidson Molybdenum Mine	On-hold	-	-
	Berg Copper-Molybdenum-Silver Mine	Proposed March 2011	-	-
	Chu Molybdenum Mine	Proposed Jun 2009	-	-

Source: (Ministry of Jobs, Tourism and Innovation, 2011)

In addition, there are 13 additional mines in the environmental assessment and permitting phase of development (Mining Association of British Columbia, 2012):

- Bear River Gravel – Glacial Aggregates Inc.
- Davidson Property – Thompson Creek Metals
- Dome Mountain – Metal Mountain Resources Inc.

- Galore Creek – NovaGold/ Teck Resources
- Kerr-Sulphrets-Mitchell – Seabridge Gold Inc
- Kitsault – Avanti Mining Inc.
- Kutcho Creek – Capstone Mining Inc.
- Morrison – Pacific Booker Minerals
- Mount Kapplan – Fortune Minerals Ltd.
- Red Chris – Imperial Metals
- Schaft Creek – Copper Fox Metals Inc.
- Tulsequah Chief – Chieftan Metals Inc.
- Turnagain – Hard Creek Nickel

If the planned mining projects are developed, employment in mining or mine services is planned to increase by over 500 by 2015 (Table 11). These projections are calculated using the B.C. Labour Market Scenario Model and data collected from the March 2011 Major Projects Inventory (BC Stats, 2010).

Table 11: Northwest College Region Projected Annual Growth in Employment Demand

	Estimated Employment		Estimated Change in Employment
	2010	2015	
Goods Producing Industry			
Agriculture	100	170	70
Forestry	890	900	10
Fishing, Hunting, & Trapping	330	240	-90
Oil & Gas	20	20	0
Mining (non Oil & Gas)	270	620	350
Services to Mining	630	790	160
Utilities	140	100	-40
Construction	1500	4550	3050
Mfg--Food & Beverages	760	910	150
Mfg--Wood Products	1470	2340	870
Mfg--Paper Products	100	230	130
Mfg--Printing	20	20	0
Mfg--Rubber, Plas. Chem	40	60	20
Mfg--Mineral Products	1290	1100	-190
Mfg--Metal Fab & Machinery	110	150	40
Mfg--Comp, Electronic, Elect	10	10	0
Mfg--Transportation Eq.	20	30	10
Mfg--Other	100	120	20
Total Goods Producing	7810	12350	4540

Source: (BC Stats, 2010)

First Nation and local governments have been anticipating the economic benefits from mineral development for over twenty years. However, the evolving geopolitical context of treaty negotiations and legal disputes over title and jurisdiction over mineral resources is threatening the advancement of mineral development plans. To mitigate this threat government and industry are working in tandem to create new strategies to retain access to mineral deposits.

5.5. Mining industry corporate social responsibility

To mitigate the uncertainty of territorial and jurisdictional disputes between senior levels of government and First Nation governments, companies have been adopting industry led CSR practices and corporate-community relations toolkits in an effort to gain direct support from adjacent local communities (Mining Association of Canada, 2004; Prospectors and Developers Association of Canada, 2009). The provincial government is actively supporting the expansion of CSR networks as a strategy for companies to gain access to First Nation territories while treaty negotiations continue.

While the Province is responsible for ensuring adequate and appropriate consultation and accommodation, it may delegate the procedural aspects of consultation to proponents. Proactive engagement with First Nations can facilitate effective and timely information exchange, mitigate and avoid impacts to aboriginal interests, and contribute to the Province's broader objective of building partnerships and relationships with First Nations (Ministry of Energy, Mines and Natural Gas and Responsible for Housing, 2011).

Increased global attention on the practices of mineral exploration and mining companies and indigenous rights are pushing companies to improve practices and mitigate negative impact on local communities (International Institute for Environment and Development, 2002). At the same time, disputes over title and jurisdiction of mineral resources between the provincial government and First Nations are pulling companies into land claim negotiations as they try to gain access to mineral deposits on traditional territories.

A series of industry led global initiatives have worked to identify how the minerals and mining industry can incorporate principles of sustainable development into company practices to address long standing grievances against environmental, health and safety, human rights and community exploitation. Over the past decade, a series of standards and accountability measures have been developed to monitor industry practices to

create a sustainable global industry. Key international strategies developed over the past decade:

- International Institute for Environment and Development - *Mining, Minerals and Sustainable Development* (2000-2002)
- International Council on Mining and Metals - *Sustainable Development Framework* (2003)

In Canada, national industry associations have introduced CSR strategies:

- The Mining Association of Canada - *Towards Sustainable Mining* (2004)
- Prospectors and Developers Association of Canada - *e3 Plus* (2009)

In 1999, the World Business Council for Sustainable Development commissioned the International Institute for Environment and Development (IIED) to undertake an analysis of how the mining industry could transition to a model of sustainable development. The resulting *Mining, Minerals and Sustainable Development* (MMSD) report published in 2002 identified a multi-scalar approach to applying CSR programs. The framework identifies key actions for the global, national and local scale outlining the responsibilities of governments, companies and communities (Table 12).

Table 12: Summary of Global, National, and Local Level Actions, Adapted from Minerals, Mining and Sustainable Development

Key Actions at the Global Level	
Actions	Responsibilities
• Complaints and Dispute Resolution Mechanism	• Companies, representatives of affected stakeholder groups, commercial lenders
• Product Stewardship Initiative	• Non-Ferrous Metals Consultative Forum on Sustainable Development, industry associations, NGOs, governments, labour
• Sustainable Development Support Facility •	• Governments, international organizations, NGO such as IUCN, stakeholders
• Reporting Guidelines	• ICMM – industry associations, NGOs and stakeholders, Global Reporting Initiative, companies, international organizations
• Protected Areas and Mining	• Conservation NGOs such as IUCN, governments, companies associations such as ICMM, communities
• Dialogue on Mineral Legacies	• Mining industry, world leaders
• Dialogue on Financial Surety	• World Bank, mine ministers
• Global Labour Management Agreement	• International labour unions such as ICEM and international industry associations such as ICMM
• Forum on Mining, Minerals and Sustainable Development	• All actors
Key Actions at the National Level	
Actions	Responsibilities
• Review and Development of Legal and Policy Frameworks	• Governments and relevant stakeholders
• Access to information	
• Public participation	
• Land rights regimes and compensation systems	
• Traditional indigenous territories	
• Maximizing the benefits of mineral development	
• Artisanal and small-scale mining	
• Community development	

• Mining- induced displacement and resettlement	
• An international register of payments to combat corruption	• Companies, industry associations, NGOs, governments, international organizations
• Audits, guidelines, and standards for environmental management	• Government, affected communities, companies
• Capacity building	• Governments, international organizations such as the World Bank, the UN, NGOs, donors
• Labour-company agreements	• National unions, companies
• National multi stakeholder processes	• All relevant actors
Key Actions at the Local Level	
• Actions	• Responsibilities
• Community Engagement	• Companies, communities, local institutions
• Integrated Impact Assessment	• Companies, communities, local government, consultants
• Community Sustainable Development Plans	• Companies, labour unions, local government, communities, civil society organizations
• Labour management agreement for sustainable development	• Companies, labour unions, local government, communities, civil society organizations
• Disputes and conflict resolution mechanisms	• Labour organizations, companies
• Cooperation between large companies and artisanal and small-scale miners	• Companies, labour unions, local government, communities, civil society organizations

Adapted from: (International Institute for Environment and Development, 2002)

The IIED identifies actions for community engagement and development at the national and local scale, building the expectation that companies will contribute to the sustainable community development. This initiative served as a catalyst for international and national mining associations, to re-evaluate operating principles of the industry, expanding into diverse political, social, economic and environmental contexts around the world (International Institute for Environment and Development, 2002).

In 2003, the International Council on Mining and Metals (ICMM) developed a sustainable development framework based on ten operating principles (International Council on Mining and Metals, 2003). These principles were prepared after the ICMM conducted a ‘gap analyses of current standards presented by the MMSD with the

standards presented in other international conventions for corporate responsibility (Table 13).

Table 13: Principles for Sustainable Development (2003) Principles for Sustainable Development (2003)

The 10 Principles
• Implement and maintain ethical business practices and sound systems of corporate governance
• Implement risk management strategies based on valid data and sound science
• Seek continual improvement of our health and safety performance
• Seek continual improvement of our environmental performance
• Contribute to conservation of biodiversity and integrated approaches to land use planning
• Facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products
• Contribute to the social, economic, and institutional development of the communities in which we operate
• Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders
• Contribute to the social, economic and institutional development of the communities in which we operate.
• Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.

Adapted from: (International Council on Mining and Metals, 2003)

Read together, the MMSD and ICMM principles begin to build a general, voluntary standard of international practice, outlining expectations of the role government, companies and communities should play in the places of their operations.

These reports have created a global network of industry led CSR practices. Companies operating nationally and internationally are being drawn into national and international CSR networks to meet the growing demands for more ethical business practices in operations around the world. In Canada, national and regional mineral exploration and mining industry associations are designing implementation strategies for Canadian companies and international companies operating in Canada. The Mining Association of Canada introduced the *Towards Sustainable Mining* (TSM) industry

responsibility strategy in 2004. The goal of the TSM is to improve the industry's reputation and performance (Mining Association of Canada, 2004). The strategy outlines a series of principles with associated indicators to monitor the performance of member companies of the Mining Association of Canada (Table 14).

Table 14: Toward Sustainable Mining Principles (2004)

We will demonstrate leadership worldwide by:
• Involve communities of interest in the design and implementation of our Towards Sustainable Mining initiative
• Proactively seeking, engaging and supporting dialogue regarding our operations
• Fostering leadership throughout our companies to achieve sustainable resource stewardship wherever we operate
• Conducting all facets of our business with excellence, transparency and accountability
• Protecting the health and safety of our employees, contractors and communities
• Contributing to global initiatives to promote the production, use and recycling of metals and minerals in a safe and environmentally responsible manner
• Seeking to minimize the impact of our operations on the environment and biodiversity, though all stages of development, from exploration to closure
• Working with our communities of interest to address legacy issues, such as orphaned and abandoned mines
• Practicing continuous improvement through the application of new technology, innovation and best practices in all facets of our operations

Adapted from: (Mining Association of Canada, 2004)

Participation in the TSM is a condition of membership in the Mining Association of Canada and companies report CSR practices to the association annually (Mining Association of Canada, 2004). The TSM principles identify company participation with communities of interest.

We use the term Communities of Interest to include all of the individuals and groups who have or believe they have an interest in the management of decisions about our operations that may affect them. This includes: employees, contractors, Aboriginal or indigenous peoples, mining community members, suppliers, customers, environmental organizations,

governments, the financial community, and shareholders.
(Mining Association of Canada, 2004)

The definition implies a principle of inclusivity of any group that self-identifies as having interest in the project. The guidelines for companies to follow (Table 15) specify providing communities with support, respond to community needs and to provide lasting benefits in all aspects of business and operation.

Table 15: Toward Sustainable Mining (TSM) Guideline (2004)

In all aspects of our business and operations, we will:
• Respect human rights and treat those with whom we deal fairly and with dignity
• Respect the cultures, customs and values of people with whom our operations interact
• Recognize and respect the unique role, contribution and concerns of Aboriginal peoples (First Nations, Inuit and Metis) and indigenous peoples worldwide
• Obtain and maintain business through ethical conduct
• Comply with all laws and regulations in each country where we operate and apply the standards reflecting our adherence to these Guiding Principles and our adherence to best international practices
• Support the capability of communities to participate in opportunities provided by new mining projects and existing operations
• Be responsive to community priorities, needs and interests through all stages of mining exploration, development, operations and closure
• Provide lasting benefits to local communities through self-sustaining programs to enhance the economic, environmental, social, educational and health care standards they enjoy

Adapted from: (Mining Association of Canada, 2004)

In 2009, PDAC expanded the e3 *Environmental Excellence in Exploration* program to encompass a broader spectrum of CSR principles (Table 16). The principles encourage best practices and guidelines adaptable to the size and scope of the project (Prospectors and Developers Association of Canada, 2009).

Table 16: E3plus a Framework for Responsible Exploration (2009)

Principle	Objective
1. Adopt responsible governance and management	To base the operation of exploration on sound management systems, professional excellence, the application of good practices, constructive interaction with stakeholders, and the principles of sustainable development
2. Apply ethical business practices	To have management procedures in place that promote honesty, integrity, transparency and accountability
3. Respect human rights	To promote the principles of the United Nations Declaration of Human Rights by incorporating them into policies and operational procedures for exploration
4. Commit to project due diligence and risk assessment	To conduct an evaluation of risks, opportunities and challenges to exploration, and prepare strategies and operational plans to address them before going into the field
5. Engage host communities and other affected and interested parties	To interact with communities, indigenous peoples, organizations, groups and individuals on the basis of respect, inclusion and meaningful participation
6. Contribute to community development and social wellbeing	To have measures in place which support the social and economic advancement and capacity building of communities whose lives are affected by exploration, while respecting the communities' own vision of development
7. Protect the environment	To conduct exploration activities in ways that create minimal disturbance to the environment and people
8. Safeguard the health and safety of workers and the local population	To be proactive implementing good practices for health and safety performance in all exploration activities and seek continual improvement

Adapted from: (Prospectors and Developers Association of Canada, 2009)

Each of the above strategies presents a community development role or responsibility for mineral exploration or mining companies. Both the Mining Association of Canada *TSM* program and the Prospectors Developers Association of Canada *e3Plus* program, advocate incorporating principles of community engagement and company support for the economic and social capacity in communities impacted by operations. Companies must be cognisant not only of the requirements of central jurisdictional authorities but also local communities to secure support for their projects (Crowson, 2009).

5.6. Conclusion

Blowfield (2005) argues that CSR has shifted from a policy framework designed to prevent and mitigate negative outcomes from investment, to a new political method of accelerating corporate investment into the development of communities. In this model, corporations are assuming responsibility for the distribution of benefits from resource extraction to communities, and becoming more involved in rural regional development through their CSR programs. Fifka (2009) presents five central controversies in the adoption of corporate social responsibility:

1. Should business take over social responsibilities or is that none of their “business”?
2. Should there be legal obligations to enforce CSR or is it a concept that is of voluntary nature and may be built on a moral foundation?
3. Does CSR also contain an economic responsibility towards society?
4. Should CSR be of self-interest or may it serve the aims of business as well?
5. Should CSR activities be targeted only at the local environment of business or should they be of a broader scope and address more general problems?

These controversies bring into the question the roles and responsibilities of governments and corporations. On the one hand, this newfound commitment to community engagement is a necessary turn for industry operations in British Columbia. Companies staking claims in British Columbia face the challenge of navigating a shifting geopolitical environment. On the other hand, many First Nation governments in NW BC are now implementing their own land and resource management plans, demanding that

companies negotiate access directly with their government. Corporate-community engagement is being evaluated by industry associations and investors as to how well companies are respecting the territorial rights of indigenous peoples. The implementation of CSR standards is pulling companies into the political and legal battles being fought over unresolved land claims between First Nation governments and senior levels of government. As will be discussed further in the upcoming chapters, company attempts to meet the CSR standards designed by national and international industry associations is having a measurable impact on communities in areas of resource development in rural Canada.

6. TERRITORIES OF CONTROL: USING TERRITORY TO DEFINE PLACES OF BENEFIT

*“We get inundated with consultation requests with no revenue stream, dealing with companies takes time, and capacity is a huge issue for us”
(First Nation Government Interview, 2010).*

6.1. Introduction

The disempowerment of First Nations over control of resource development occurring in their traditional territories is in transition in British Columbia. First Nation governments are challenging historical socio-spatial relations that separated groups from traditional territories and livelihoods. To regain control over the management of resources, First Nation governments are using territorial strategies to create spaces of jurisdictional authority to control access to resources within their territories. The on-going assertions of Aboriginal rights and Aboriginal title over traditional territories are challenging jurisdiction boundaries, forcing mineral development companies to re-evaluate how they gain access to the resources in the region, and forcing senior levels of governments to acknowledge that the dispute of title and jurisdiction over Crown land is unresolved.

In this chapter, I discuss how First Nation governments in northwest British Columbia assert territoriality over mineral resources within their traditional territories. I use Sack's (1986) description of three key elements to understanding territorial strategies to control people phenomena and relationships: (1) historical socio-spatial relations; (2) strategies to control people and things; and (3) expressions of social power. First, I discuss, the historical socio-spatial relations between senior levels of government and First Nation peoples. Second, I detail the strategies used by the provincial government in attempt to retain control over resource development. Third, I

examine how First Nation governments are challenging socio-spatial relations in the region by using various forms of social power to create spaces of jurisdictional control over mineral development occurring within traditional territories. This re-evaluation of territorial structures and jurisdictional institutions has multi-scalar ramifications, affecting the power dynamics between governments, companies and communities.

6.2. Historical socio-spatial relations

The historic process of displacement of First Nations, by the governments of British Columbia and Canada, denied First Nations claims of territoriality and systematically took control over land and resources.

For most of the country's history Aboriginal government has been suppressed, land denied, treaty rights ignored, children forcibly taken, and traditional economic pursuits criminalized. There has been a negation of rights of religious freedom, association, due process and equality. The failure of Canada's Constitution to limit federal and provincial interference with Aboriginal rights has often greatly harmed Aboriginal communities. (Borrows & Rotman, 2007, p. 94)

The extension of the Crown's dominion over British Columbia attempted to extinguish all First Nation pre-existing rights and empower the federal and provincial government to impose systems of governance and property rights according to Common law (Harris 2002). Unlike in some parts of Canada, the majority of First Nation governments in British Columbia never ceded their lands by entering into treaties with colonial governments. First Nation territories were taken over by the provincial government and in 1876 the federal government implemented the Indian Act that separated many First Nation peoples from their traditional territories and forced groups to settle on small land reserves. This process forced groups to adopt foreign livelihoods and governance systems becoming dependents of the state.

The 1876 Indian Act divided aboriginal nations with a shared traditional territory, identity, culture, language and governing body into separate bands and separate land reserves. The "band" system of administration was imposed on First Nations and bands were made subject to detailed supervision by federal officials. (B.C. Treaty Commission, 2009)

The resulting band system of administration and governance that was imposed by the federal government, redefined territorial rights and jurisdictional structures between the federal, provincial and First Nation governments. Throughout this process a variety of First Nation governance structures emerged as many groups maintained traditional governance systems, or blended traditional and band systems of governance in an attempt to retain control of traditional territories.

Many First Nations blended traditional forms of governance with the elected requirements of the Indian Act. Other, First Nations attempted to keep the two systems apart. Still others have tried to subjugate the Indian Act governance structure to traditional forms or values and principles. A variety of governance forms exist in relation to the Indian Act as a result. (Borrows & Rotman, 2007, p. 49)

The resulting diversity of First Nations governance systems creates a complexity of the multi-scalar jurisdictional structures that exist between senior levels of government, First Nations, local governments and resource companies. In some cases, band governments and traditional governments govern the same territory, with different leaders creating overlapping jurisdiction structures, complicating socio-spatial relations. Table 17 summarises the Aboriginal population in British Columbia.

Table 17: Aboriginal People in British Columbia Population Statistics 2006

Aboriginal people in British Columbia	2006 Statistics
Total Aboriginal population	196,075
Percentage of total population	4.8%
Total number of Indian bands (as of September 30, 2006)	1981
Total number of eligible First Nations / Indian bands in the treaty process	116
Total number of Tribal Councils	29
Total number of reserves	1,701
Total land area of reserves	343,741 hectares
Per cent of the Aboriginal population living on reserves	26 per cent
Per cent of B.C.'s population on reserves with no Aboriginal ancestry	32 per cent

Sources: Ministry of Aboriginal Relations and Reconciliation General B.C (2011)

The NW region of BC encompasses the traditional territories of the Tutchone, Tagish, Inland Tlingit, Tahltan, Kaska, Gitxsan, Sekani, Wet'suwet'en, Tsimshian and Haisla First Nations peoples. Since colonization, First Nations in NW BC have been fighting for the protection of their Aboriginal rights and the reinstatement of title over traditional territories. The Province of British Columbia uses the following explanation of Aboriginal rights and title,

"Aboriginal rights" are practices, customs or traditions integral to the distinctive culture of the First Nation claiming the right. A practice undertaken for survival purposes can be considered integral to a First Nation's culture. Some examples of aboriginal rights are hunting, fishing, and gathering plants for traditional medicines and spiritual ceremonies. Aboriginal rights may be connected to a particular piece of land, and are generally not exclusive. (Province of British Columbia, 2010)

"Aboriginal title" is a subcategory of aboriginal rights that has its own test for proof. It is a unique interest in land that encompasses a right to exclusive use and occupation of the land for a variety of purposes. Those uses must not be inconsistent

with the nature of First Nation's historical attachment to the land. A claimant must prove exclusive occupation of land prior to sovereignty. (Province of British Columbia, 2010)

The existence of Aboriginal rights in common law is grounded in the 1763 *Royal Proclamation* asserting the British Crown's sovereignty over the colonies of Canada and the acknowledgement of the territorial rights of Aboriginal peoples.

The Royal Proclamation was declared to delineate boundaries and define jurisdiction between Aboriginal peoples and the Crown. The Proclamation attempted to convince Indians that the British would respect existing political and territorial jurisdiction by incorporating Aboriginal understandings of this relationship in the document. The Proclamation does this by implying that no lands would be taken from Indians without their consent. However, in order to consolidate the Crown's position in North America, words were also placed in the document that did not accord with Aboriginal viewpoints. For example, the British inserted statements in the Proclamation that claimed "Dominion" and "Sovereignty" over the territories First Nations occupied. (Barrows & Rotman, 2008, p. 21)

The *Royal Proclamation* (1763) created the foundation for defining Aboriginal rights and provided the historic basis for the constitutional relationship between Aboriginal peoples and the Crown. Aboriginal rights and treaty rights did not become a part of the Canadian Constitution until 1982. Sections 35, 25, and 37 of the 1982 *Canadian Constitution Act* outline the guarantee of aboriginal rights of Canada.

Section 35

The existing Aboriginal and Treaty Rights of the Aboriginal Peoples of Canada are hereby recognized and affirmed.

In this Act, “aboriginal peoples of Canada” includes Indian, Inuit and Metis peoples of Canada.

In 1983, the Constitutional Amendment Proclamation added subsection (3) and (4):

For greater certainty, in subsection (1) “treaty rights” includes rights that now exist by way of land claims agreements or may be so acquired.

Notwithstanding any other provision of this Act, the aboriginal and treaty rights referred to in subsection (1) are guaranteed equally to male and female persons Canadian Constitution Act, 1982).

Sections 25 and 37 also provide important context and interpretation of the rights specified in section 35.

Section 25

The guarantee in this Charter of certain rights and freedoms shall not be construed so as to abrogate or derogate from any aboriginal, treaty or other rights or freedoms that pertain to the aboriginal peoples of Canada including:

Any rights of freedoms that have been recognized by the Royal Proclamation of October 7, 1763.

In 1983, section 25 was amended to clarify that Charter rights could not abrogate or derogate “any rights or freedoms that may be acquired by the aboriginal peoples of Canada by way of land claims settlement”. Section 37(1) and (2), of the *Constitution Act 1982* guaranteed a constitutional conference to address constitutional matters with aboriginal organizations. Currently, First Nation governments continue to fight for

definition and recognition of Aboriginal title and jurisdiction over land and resources on their traditional territories.

Three First Nation governments from NW BC have been instrumental in pressing for sovereignty over their lands and the recognition of Aboriginal rights and title of traditional territories. In 1973, representatives of the Nisga'a Nation brought forward *Calder v. British Columbia (Attorney General)* ([1973] S.C.R. 313), to the Supreme Court of Canada arguing “that the aboriginal title, otherwise known as the Indian title, of the Plaintiffs to their ancient tribal territory... has never been lawfully extinguished” (*Calder v. Attorney General of British Columbia*, [1973] S.C.R. 313). This case provided the opportunity for the Nisga'a to explain the importance of land and land use to their culture and laid the foundation for future challenges of the Crown's title over First Nation territories in NW BC.

The scope of Aboriginal title remained unresolved in the Calder case, however, in 1997 the Gitxsan and Wet'suwet'en First Nations from NW BC, once again brought the issue of Aboriginal title before the Supreme Court in *Delgamuukw v. British Columbia* ([1997] 3 S.C.R. 1010). In this case, the Gitxsan and the Wet'suwet'en claimed title and jurisdiction over their traditional territories, thereby challenging the Province of British Columbia's authority to make land and resource use decisions within their territories. Although the case was unsuccessful in gaining legal title over their territories, the Supreme Court of Canada did acknowledge the existence of Aboriginal title and that the Province did not have the power to extinguish Aboriginal rights (*Delgamuukw v. British Columbia*, [1997] 3 S.C.R. 1010). Borrows and Rotman (2008) explain the significance of this decision lies in how the proof of title was linked to possession and in cases where First Nations can establish present or past possession, Aboriginal title should be presumed.

A third case that has significantly altered the socio-spatial relations between governments and First Nations in NW BC, is *Haida Nation v. British Columbia (Minister of Forests)*, ([2004] S.C.J. 70, [2004] S.C.C. 73). This case significantly altered the relationship between First Nations, the Province of British Columbia and resource companies in relation land use and resource extraction. The Supreme Court of Canada ruled that the Crown has a duty to consult and accommodate Aboriginal peoples in

decisions related to their traditional territories. The judgement defines the obligation of the Crown to act honourably in all dealings with Aboriginal peoples, “In all its dealings with Aboriginal peoples, from the assertion of sovereignty to the resolution of claims and the implementation of treaties, the Crown must act honourably” (*Haida Nation v. British Columbia (Minister of Forests)* ([2004] S.C.J. 70, [2004] S.C.C. 73). A central issue of this case was how the province was pursuing resource development and land use decisions whilst First Nation governments were in the process of proving Aboriginal title and treaty negotiations with the federal government. The Supreme Court of Canada decision states that,

The Crown, acting honourably, cannot cavalierly run roughshod over Aboriginal interests where claims affecting these interests are being seriously pursued in the process of treaty negotiation and proof. It must respect these potential yet unproven, interests...To unilaterally exploit a claimed resource during the process of proving and resolving the Aboriginal claim to that resource, may be to deprive the Aboriginal claimants of some or all of the benefit of the resource. That is not honourable. *Haida Nation v. British Columbia (Minister of Forests)* ([2004] S.C.J. 70, [2004] S.C.C. 73)

The significance of these three cases is twofold. First, the political landscape of NW BC has a deep history of First Nation territoriality. First Nation governments in the region have been fighting to reclaim control over their traditional territories since early colonial governments began stretching their jurisdictional authority into their territories. Second, these cases assert the right of Aboriginal peoples to extend their authority over their lands. This has far-reaching consequences for the socio-spatial relations in the region. The assertion of territorial rights is challenging existing structures that define who can control and benefit from resource development.

6.3. Strategies to control people and things

Wood and Rossiter (2011) describe the legal events of the past decade as a “collision of Aboriginal political mobilization, the expansion of natural resource development, and a series of court decisions that can no longer be ignored” (p. 407). Adaptation to the new legal requirements for consultation has been fraught with political manoeuvring and negotiation; as the provincial government attempts to build a “new relationship” with Aboriginal peoples and First Nation governments attempt to regain control over traditional territories.

The provincial government has tried a number of strategies to regain territorial control including a public referendum on treaty rights and negotiations in 2002, the 2005 *New Relationship with First Nations and Aboriginal Peoples* agreement and the proposed *Recognition and Reconciliation Act* in 2008. Although the *Act* was never passed, the 2005 *New Relationship with First Nations and Aboriginal Peoples Agreement* (Government of British Columbia, 2008) continues to guide provincial policy, with a pronounced focus on generating economic prosperity and resolving land claim disputes.

Recognition of Aboriginal rights through negotiating treaties, economic, benefits, sharing agreements, strategic land use plans and protocols provides increased certainty and strengthens economic, environmental and social benefits for First Nations communities and Aboriginal peoples. (Province of British Columbia, 2008, p. 3)

The goals of the 2005 *New Relationship Agreement* (Province of British Columbia, 2008) include resolving disputes over resource development and land use, and providing new opportunities for First Nation economic prosperity by establishing a government-to-government relationship between the Province of British Columbia and First Nation governments. As discussed in the previous chapter, the uncertainty caused by First Nation land claims is negatively affecting the province’s ability to attract private investment needed for mineral exploration and mining development. Woolford (2005) characterises this quest for certainty is an extension of neoliberalism, interpreting

Aboriginal land claims as an economic objective rather than gaining justice for Aboriginal peoples.

The model of certainty gaining ascendancy within the treaty process is one build on particular non-Aboriginal cultural perspectives that are discursively presented as universal goods but which, in truth, represent more the professed needs of non-Aboriginal business and government. (Woolford, 2005, p. 144)

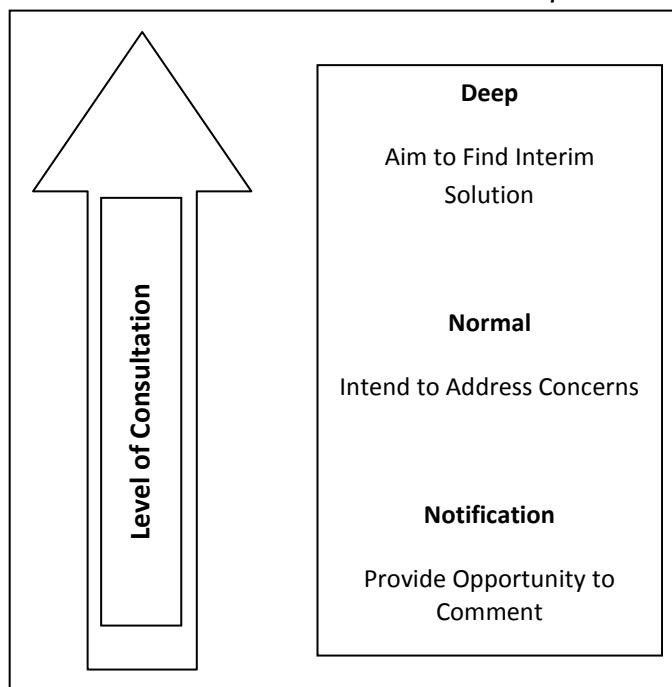
The development of the 2005 *New Relationship Agreement* (Province of British Columbia, 2008) is partially in response to the mineral development industry lobbying the province find a way to mitigate the risks associated with unresolved First Nation land claims, by finding ways to provide access to disputed Crown land and resources while treaty negotiations continue (Ministry of Energy, Mines and Petroleum Resources, 2005). Strategies are being introduced in attempt to control the risk associated with First Nation success in gaining more control over the type of activities sanctioned by the province within their territories. The province is developing new policy instruments to maintain their jurisdictional attractiveness to the mineral development industry while political negotiations continue over unresolved territorial rights of First Nations peoples in British Columbia.

For example, in 2008, British Columbia became the first province in Canada to introduce a First Nations resource revenue sharing policy (Ministry of Energy, Mines and Petroleum Resources, 2008). The resource revenue sharing policy, allows provincial negotiators to enter into agreements with First Nation governments claiming territoriality in an area where new mining projects are to be developed, to share mineral tax revenues that will be collected from the project (Clark, 2009). The Province collects 2% of net revenue until the company has recovered specific expenses and then the rate increases to 13% for the remaining life of the mine (*Mineral Tax Act*, R.S.B.C. 1996, c. 291). The negotiations include, the economic impact of the project, analysis of the First Nation government claims in the area, future project development in the area and privately negotiated benefit agreements between the company and First Nation (e.g. Impact Benefit Agreements) will be considered (Clark, 2009). A process of determining

inclusion and exclusion in the resource revenue sharing agreements will inevitably be a major hurdle for the implementation of the policy in a region of competing unresolved land claims. The creation of the First Nations resource revenue sharing policy is presented as a positive opportunity for First Nation band and traditional governments to access much needed support for community development.

In addition, the province has undertaken an assessment process to determine the level of legally required consultation by the government with affected First Nations. Figure 4 outlines the Consultation Spectrum detailed in the *Updated Procedures for Meeting Legal Obligations When Consulting First Nations (Interim)* (Government of British Columbia, 2010).

Figure 4: Province of British Columbia First Nations Consultation Spectrum



Source: Recreated from http://www.gov.bc.ca/arr/reports/down/updated_procedures.pdf

The consultation spectrum is a contentious issue for both First Nation governments and companies. From the perspective of the Province of British Columbia, they are legally required to fulfil the Crown's duty to consult and accommodate for any resource development project that they have approved within First Nation traditional territories. The consultation spectrum clearly outlines the scope of this duty, based on the strength

of the First Nation's claim and the scope of the project (Government of British Columbia, 2010). However, what the province may define as meeting its legal requirements for consultation may not conform to the expectations of First Nation governments.

For example, in the context of mineral development, most mineral exploration projects are categorised under '*Notification – Provide Opportunity to Comment*', whereas mine development projects require a '*Deep – Aim to find interim solution*' notification which is also regulated under the Environmental Assessment Act (2002). Over the past decade the majority of mineral development work in NW BC has been mineral exploration. In this context companies stake claims online using the provincial government's *Mineral Titles Online* program, which allows companies to lease mineral rights "anywhere in the province where there are no other impeding interests (other mineral titles, reserves, parks, etc)" (Ministry of Energy and Mines and Responsible for Housing, 2011). Within the government's consultation spectrum this type of work falls under the 'Notification' category, where a notice of work application is sent to First Nation governments that have claimed a territorial interest in the area of the mineral claim.

Notification

Where an aboriginal claim is weak or limited, or the potential for infringement of an Aboriginal Interest is minor, the legal duty may be to give notice of the pending decision or activity, disclose information, and provide an opportunity to discuss any issues raised in response to the notice. The Province will be required to address what it knows of the Aboriginal Interests and anticipated impacts. (Government of British Columbia, 2010, p. 11)

Whereas, the province may determine the scope of their legal requirement for consultation and accommodation, the necessary scope of company consultation and accommodation is much less structured. The *Update Procedures for Meeting Legal Obligations When Consulting First Nations (Interim)* issued by the Province of British

Columbia in 2010, clearly outlines the expectation that companies seeking a decision from the province related to land use or resource development,

Companies are encouraged to engage First Nations as early as possible when seeking a decision. In some cases, the Province may delegate certain procedural aspects of consultation to proponents. Proponents are often in a better position compared to the Province, to exchange information about their decision requests and directly modify plans to mitigate any concerns. (p. 3)

After companies stake their claim, the province then encourages companies to consult with First Nations. The scope of a companies' responsibility to consult with First Nations to conduct mineral exploration is a controversial issue for First Nations and companies. In an active mineral exploration area, such as NW BC, First Nation governments are inundated with notifications of mineral exploration occurring within their territories and requests from companies for consultation.

Dealing with companies takes time. Some are frustrated with government process, therefore the earlier the better in terms of meeting with us. They are often unrealistic in terms of our needs to consult with the communities. We have a number of templates to work with companies. We view things like values, impact benefit analysis. The lower level includes things like employment training capacity in a business sense; higher-level agreements include joint ventures, and business and economic development. Capacity is a huge issue for us if we don't have a working precedent with the company we do not have the revenue stream that will enable us to build our capacity.
(Wet'suwet'en Representative Interview, 2011)

For companies, the challenge lies with understanding First Nation governance systems and having the internal capacity to meet the requirements of First Nation governments to

gain access to their mineral claim. For mineral exploration companies, the size and resources vary significantly, and the pressure to engage with First Nation governments can be overwhelming for smaller operations. Industry participants identified one of the challenges for exploration companies is how to identify a “legitimate claim” of traditional territory within the region.

It is very difficult because as a company you think you're doing everything right, establishing a working relationship [with a First Nation's community] and then you find you have made everyone else mad at you because perhaps unknowingly you have missed a group claiming the same territory. (Mineral Industry Association Interview, 2010)

Decision-making processes vary by group and often do not follow conventional Canadian government procedures. The responsibility of consultation is a contentious issue within the mineral exploration industry. Not all companies undertake consultation activities, as one industry representative describes,

Every time 'Joe Blow' who wants to go out and take a look, all he has to do is file with the government and the government sends it to the First Nation, and that's the limits of their consultation, it's just the registration of their activities with the government. (Mineral Industry Association Interview, 2010)

For companies choosing to undertake more comprehensive engagement activities it can be a confusing, costly undertaking.

[company name] is a good example, I talked to them in 2005 and I told them we are training students and I said are you interested because they have a rather big project going ahead. I asked if they are interested in training some of the local students as a part of their CSR program and take some of the local First Nations. He said it's no problem we've been working

with the [name of First Nation] for years and it's all established we already have people hired someone is on the crew already. I thought good for them they really have their bases covered and they've been doing it since about 2002. Sounded good, ran into their consultant in the airport a couple of years back and I asked how things are going. I hear you have your First Nations group all sorted out. He said they have had five other groups that have come forward. He actually had five groups to work with. They went forward thinking they'd did everything right to try to establish relationships and suddenly they found out there were four other groups that they didn't even know about...so it's very difficult because as a company you think you're doing everything right establish a working relations and then you find out oh my god you have made everyone else mad at you because perhaps, unknowingly, and this gets back to governments and consultation. (Mineral Industry Association Interview, 2010)

As noted above, the competition between groups to gain access to economic benefits from company CSR programs is challenging for companies. Strategically companies try to be as inclusive as possible to avoid conflict, however, the geopolitical landscape is in constant flux as band and traditional governments assert territoriality over the same landscape.

6.4. Expressions of social power

In response to gains made through the Supreme Court and increasing power to negotiate with the province and companies for how mineral development activity is undertaken on their territories, First Nation governments across the province are developing different forms of social power to express control over traditional territories. Many bands and traditional First Nation governments are currently engaged in the official treaty negotiation process with the Governments of Canada and British Columbia.

There are 116 Indian Band or First Nations registered in formal treaty process (Appendix D). In 2012, there are 15 First Nations from NW BC were engaged in the Treaty negotiation process and one completed Final Agreement Treaty. Many land claims overlap, based on varying historic interpretations of territoriality.

The following summarises the formal, multi-phase process as described by the BC Treaty Commission (BC Treaty Commission, 2009):

Phase 1: Statement of Intent to Negotiate – the communication of a First Nations governing body to the British Columbia Treaty Commission that the group has been mandated by its members to enter into negotiations, with a description of the territory in which they would like to negotiate;

Phase 2: Readiness To Negotiate: The First Nation negotiating party, and representatives from the governments of Canada and British Columbia must meet to express their commitment to the process, present a qualified negotiator, have sufficient resources and an established mandate and process in place to ratify the results of the negotiation;

Phase 3; Negotiation of the Framework Agreement: Agreement on the subjects to be negotiated and an estimated timeframe

Phase 4: Negotiation of an Agreement in Principle: The negotiation of the content of the framework begins “this is where the substantive treaty negotiations begins”.

Phase 5: Negotiation of Final Treaty: The formalization of the treaty and the negotiation of technical and legal details. The Treaty is formally signed and becomes recognised under the Constitution;

Phase 6: Implementation of the Treaty: A long term implementation plan is designed to phase in the agreement

Final Agreements include decisions on governance structures, financial arrangements, jurisdiction and ownership of land, water and resources and cash settlements (B.C. Treaty Commission, 2009). Five First Nation governments in British Columbia have negotiated Final Agreements using this process and another three have agreements in principle completed.

The Nisga'a Nation of NW BC signed the first Final Agreement in 1999. In many ways, the Nisga'a broke the trail for the modern treaty negotiations in British Columbia. The Nisga'a began fighting for their territorial rights in 1887. In 1998, in a speech to the Legislative Assembly at the *Initialalling Ceremony of the Nisga'a Final Agreement*, Chief Gosnell of the Nisga'a Nation recounts the history of the Nisga'a assertion of territorial rights.

In 1887, my ancestors made an epic journey from the Nass River here to Victoria's inner harbour. Determined to settle the Land Question, they were met by a Premier who barred them from the Legislature. He was blunt. Premier Smithe rejected all our aspirations to settle the Land Question. Then he made the pronouncement, and I quote: 'When the white man first came among you, you were little better than beasts of the field'. Like many colonists of the day, Premier Smithe did not know, or care to know that the Nisga'a is an old nation as old as any in Europe. From time immemorial, our oral literature, passed down from generation, records the story of the way the Nisga'a people were placed on earth, entrusted with the care and protection of our land. (British Columbia Legislative Assembly, 1998)

In 2000, the *Nisga'a Nation Final Agreement* came into effect. The Final Agreement released of the Nisga'a lands from federal jurisdiction and the regulations of the Indian

Act and transferred title and jurisdiction of over 2,000 km² of land to the Nisga'a Nation. The Nisga'a Nation also received title over mineral resources on Nisga'a land:

MINERAL RESOURCES

19. For greater certainty, in accordance with paragraph 3, on the effective date the Nisga'a Nation owns all mineral resources on or under Nisga'a Lands.

20. Nisga'a Lisims Government has the exclusive authority to determine, collect, and administer any fees, rents, royalties, or other charges in respect of mineral resources on or under Nisga'a Lands.

21. Nisga'a Lisims Government and British Columbia may enter into agreements in respect of the application on Nisga'a Lands of provincial administrative systems relating to:

A. claim staking;

B. recording and inspecting of subsurface exploration and development;

c. the collection of fees, rents, royalties, and other charges by British Columbia on behalf of Nisga'a Lisims Government; and

d. other similar matters. (Nisga'a Final Agreement Act (1999, Chapter 2)

The Nisga'a Nation is a unique jurisdictional structure within the region and British Columbia. Unlike other local level governments, the Nisga'a Nation have title and jurisdiction of their territories and have more jurisdictional control and have direct access to collect benefits from the development of mineral resources.

At the 10th anniversary of the implementation of the Nisga'a Final Agreement, in 2010, Nisga'a leaders celebrated the accomplishments of their leaders and chastised the cynics "who thought the world would come to an end" (Nisga'a Representative, 2010) when the *Nisga'a Final Agreement* was signed. Critics of the Nisga'a Final Agreement included the former Premier of British Columbia, who at the time, was serving as the leader of the official opposition. In *Campbell v. British Columbia 2000 BCSC 1123*, the Campbell (the former leader of the British Columbia Liberal Party acting as leader of the Official Opposition who later became Premier of British Columbia from 2001 to 2011) claimed that the Nisga'a Treaty gave the Nisga'a too much jurisdictional power and it was inconsistent with the divisions of powers granted to the federal parliament and provincial legislative assembly under the section 91 and 92 of the Constitution Act, 1867 (Borrows & Rotman, 2007).

Campbell claimed that the Nisga'a treaty created a new 'radicalized' level of government in Canada. The case was dismissed citing grounds that self-government was a constitutionally protected right. Although the Campbell case was dismissed, it did touch on an important fact, in that the *Nisga'a Final Agreement* did introduce a new 'type' of local government in British Columbia, with new rights and powers. The introduction of this new type of government has changed the inter-government relations and community-corporate relations in NW BC. Nisga'a title and jurisdiction over mineral development on their lands introduces a new complexity for mineral exploration and mining companies and the provincial government.

At the 2010, *Minerals North Conference* in Stewart, BC, the President of the Nisga'a Nation expressed feelings of frustration with the industry, encouraging them to read the *Final Agreement* and be aware of Nisga'a rights and jurisdiction.

Some of the outside companies that are coming in I tell them that I know you are trying to fulfil your clause [consultation requirements] and say that you've talked the Nisga'a and entered into contracts, but it just isn't going to work with us. I said what I want is more than that we want to sit down and discuss how we can move forward on this opportunity (President of the Nisga'a Nation Presentation, 2010).

Based on the *Nisga'a Final Agreement*, companies must comply with the terms set out by the Nation for access to natural resources.

First Nation governments without a treaty agreement are seeking other forms of social power to control resource development through the negotiation of land and resource management plans with the provincial government. In 1998, the Taku River Tlingit First Nation contested the approval of an environmental assessment certificate for a mining company, which included building a road through a portion of the Nations traditional territory. Asserting their territoriality using Aboriginal rights and title over the area, the Taku River Tlingit First Nation claimed the Province of British Columbia did not adequately fulfil the Crown's duty to consult and accommodate during the environmental assessment process.

This conflict instigated the development of a framework between the Province and the Taku River Tlingit First Nation to work together to create a LRMP for the area based on a government-to-government relationship outlined in *Framework Agreement Between the Taku River Tlingit First Nation and the Province of British Columbia for Shared Decision Making Respecting Land use and Wildlife Management* (Government of British Columbia, 2008).

D. The Tlingit's vision for land and resources, as described in Ha Tlatgi Ha Khustiyxh siti, Our Land is Our Future, includes ensuring that lands, waters and resources are managed in ways that respect Tlingit laws, knowledge and values, and that resource development is carried out in a sustainable manner, including the primary responsibility to preserve healthy lands, resources and ecosystems for present and future generations;

E. British Columbia acknowledges and enters into this Framework Agreement on the basis that the Tlingit have aboriginal rights and title within their traditional territory but that the specific nature, scope or geographic extent of those, including any Tlingit laws, have not yet been determined. Other

processes that may be engaged in to bring about reconciliation may result in a common understanding of the nature, scope and geographic extent of aboriginal rights, laws and title of the Tlingit.

Legal assertions of Aboriginal title and the responsibility of the Crown to consult and accommodate First Nations regarding plans or projects proposed on their traditional territory, is pressuring the Province to adopt a more formal government-to-government approach to land use and resource management.

Government is shifting its efforts towards coordinated First Nations engagements, which will foster a more coordinated consultation and engagement framework to achieve reconciliation of First Nations interests and concerns. Land use plans and agreements are expected to be one of the tools to support government to government engagements with First Nations (Ministry of Natural Resource Operations, 2011).

The meaning of government-to-government engagement is a contentious issue for the mineral development industry. This is reflected in a response from the Association of Mineral Exploration in British Columbia submitted in review of the Atlin Taku River LRMP,

Context and Approach for G2G (government-to-government)
LUP (Land use plan)

Want to see assurance that land use designations and activities in accordance with the LUP be allowed to continue should the Province and the TRTFN move towards a more advanced settlement status. Current level of uncertainty will be a detriment to investment (Government of British Columbia, 2010).

In the absence of a treaty final agreement, the scope of First Nation jurisdictional authority over land-use is uncertain. The land use plan serves as an intermediary strategy for the Provincial government to move mineral development forward in the area while treaty negotiations continue and an opportunity for the Taku River Tlingit First Nation to retain a level of control over their territories, however it leaves many questions unanswered as to the authority of First Nation governments to exercise jurisdictional control over company activities.

This concern stems from the emergence of parallel regulatory structures being implemented by First Nation governments to control resource development within their territories. In these cases, the First Nation governments use Aboriginal rights and title as the basis of their traditional authority to govern access to their lands and resources. This has been very successful for some First Nations to gain a great deal of control over resource development activities in their territories. For example, the Tahltan Central Council (TCC) of the Tahltan Nation including the Tahltan and Iskut reserves and Tahltan people living on and off reserve, are not participating in the treaty process but continue to assert territorial control over land and resources based on the 1910 Declaration of the Tahltan Tribe. In 1910, the Tahltan Nation issued a declaration, disputing the Government of Canada's right to take control over their territories, by declaring their territoriality and refusing to cede control over their lands. Below is an excerpt from the declaration,

Firstly - We claim the sovereign right to all the country of our tribe - this country of ours which we have held intact from the encroachments of other tribes, from time immemorial, at the cost of our own blood. We have done this because our lives depended on our country. To lose it meant we would lose our means of living, and therefore our lives. We are still as heretofore, dependant for our living on our country, and we do not intend to give away the title to any part of same without adequate compensation. We deny the B.C. government has any title or right of ownership in our country. We have never treated with them nor given them any such title. (We have only

lately learned the B.C. government make this claim, and that it has for long considered as its property all the territories of the Indian tribes of B.C.). (Tahltan Central Council, 1910)

The declaration of Tahltan territoriality remains as the foundational document of Tahltan assertion of territorial rights. The TCC has successfully used their expression of territorial rights as the basis for their authority to demand that all governments and companies wanting to access land or resource development within their territory must negotiate directly with the TCC. What is interesting about the TCC structure, is that the Tahltan are not engaged in the formal treaty negotiation process, but have successfully instituted a jurisdictional structure that runs parallel to the institutionalized jurisdictional hierarchy.

The implementation of a system of territorial control is used to secure economic benefits from resource activities occurring within their territory. The TCC created a corporate structure to enter into joint ventures with companies operating within their territory and enter into impact benefit agreements to regain levels of control and benefit from mineral development activity. The Tahltan Nation Development Corporation (TNDC) established in 1985 operates to generate economic opportunities and job opportunities for Tahltan by entering into contracts with mineral development companies operating within the Tahltan territory. “The TNDC tries to be competitive and has developed relationships with resource companies” (TNDC Interview, 2010). The TNDC has entered into partnerships with over 20 companies providing services in catering, bridge construction, communication, drilling, medical and power line and pipeline construction (Tahltan Nation Development Corporation, 2010). “The goal is to become independent from Indian Affairs” (TNDC Interview, 2010). A portion of the profits from each company goes into a trust fund for the communities managed by the TCC.

The Office of the Wet’suwet’en, uses a similar method of asserting territorial jurisdiction using a traditional governance system that operates outside of the Indian Act band government system. Unlike the TTC which is a council composed of both traditional and band governments, the Office of Wet’suwet’en is a traditional government governing the same space as the Wet’suwet’en Indian Band government.

The office was established in 1994 we were the lead on the Delgamuukw case [Delgamuukw v. British Columbia (1997)]. We've stepped out of the treaty process and manage all of our consultation for territories and other functions. We have government to government relations and we are working towards co-management structures. There are clear tensions between our traditional governance structures and the INAC system. (Wet'suwet'en Representative Interview, 2011)

The Office of The Wet'suwet'en controls their traditional territory by negotiating access with companies by establishing private agreements for economic benefit.

We have six existing agreements with companies. We understand each other. We get inundated with consultation requests with no revenue stream. Our office serves as a liaison between companies and the communities. We see MOUs as short-term fixes. (Wet'suwet'en Representative Interview, 2011)

For example the announcement of the signing of the memorandum of understanding between the Office of the Wet'suwet'en a traditional First Nations government and Lions Gate Metals, signed in 2009, clearly expresses the traditional jurisdiction of the Wet'suwet'en.

SMITHERS, BC: The Office of the Wet'suwet'en, representing the interests of five Clans and thirteen Houses, and the senior executives of Lions Gate Metals (TSV: LGM), have concluded a groundbreaking Memorandum of Understanding (MoU).

The MoU recognizes Wet'suwet'en title, rights and interests on 22,000 sq.kms of traditional territories in northwest BC. Both parties to the MoU are committed to a respectful, consultative relationship with regard to LGM's mineral exploration activities on Wet'suwet'en territories.

The Wet'suwet'en have never ceded, surrendered, or in any way relinquished title, rights, or responsibility to ensure the environmental integrity of the territories, stated Debbie Pierre, Executive Director. This MoU is required by Wet'suwet'en Chiefs to ensure meaningful dialogue takes place on land use and resource development within our territories.

We believe this MOU represents a significant milestone on our path towards realizing mutually beneficial relations with the Wet'suwet'en, local communities and Lions Gate Metals. This MoU also solidifies LGM's position as an industry leader in recognizing the interests of the Wet'suwet'en in the Poplar Lake resource, said Mark Hewett, Director of Lions Gate Metals...
(The Office of the Wet'suwet'en, 2009)

One of the greatest challenges for traditional First Nations governments operating outside of the Indian Affairs structure is access to resources. Offices such as the Wet'suwet'en, struggle to find the resources needed to assert jurisdictional authority over their territories, while the provincial government continues to approve exploration activities.

These different forms of social power being expressed by First Nation governments in NW BC are redefining the socio-spatial relations between senior levels of government, mineral development companies and First Nation governments. Groups are finding power to work within and outside of the multi-scalar jurisdictional hierarchy to assert their territoriality and gain access to CSR networks that distributing much needed economic benefits to First Nation governments.

6.5. Conclusion

The colonization process in NW BC implemented a system of property and jurisdictional institutions over First Nation peoples and territories, creating structures to

gain control over the landscape and people. These structures dictated the socio-spatial relations between First Nation communities, non-First Nation settlements, and senior levels of government (provincial and federal) that enabled the implementation of contemporary mineral development strategies by controlling access to land and resources. First Nation governments use various forms of social power in the form of the courts, treaty negotiation and private contracts to assert their territorial rights and contest imposed jurisdictional structures, to regain control over land and resources. This is redefining the socio-spatial relationships between the First Nations, the governments of British Columbia and Canada and non-First Nation communities. The on-going assertions of Aboriginal rights and Aboriginal title over traditional territories are challenging jurisdiction boundaries and forcing mineral development companies to re-evaluate how they gain access to the resources in the region.

As will be discussed further in chapter 8, in the absence of resolved First Nations treaties, national and provincial mineral development associations are encouraging members to negotiate access to First Nation territories directly with First Nation governments under a framework of corporate social responsibility. Mineral exploration and mining companies require large amounts of financing, and increasing public and political sensitivity to the global rights of indigenous peoples and cases of exploitation by the minerals development sector has caused industry associations to adopt their own strategies for facilitating certainty. This has opened the door for First Nations to use newly acquired legal and social power to use their territorial rights to control access to traditional territories. The provincial government is actively promoting this practice, as it facilitates the continued development of mineral resources whilst lengthy treaty negotiations and litigation regarding Aboriginal title and jurisdiction over mineral resources. For the province, the use of public policy to encourage corporate-First Nation negotiations serves as a mitigating measure to create the illusion of certainty for investors in an uncertain political environment. For First Nations, however, this new legal and social power comes with an administrative burden which requires resources and capacity to respond to company requests for access onto territories.

7. SCALES OF BENEFIT: USING JURISDICTION TO DEFINE PLACES OF BENEFIT

While this level of government [local government] can be wholly or partially responsible for a considerable array of services and facilities that affect our daily lives and livelihoods, their powers and resources are often severally circumscribed by national and/or state or provincial governments. (Douglas, 2005, p. 232)

7.1. Introduction

Local governments are bound by the roles and responsibilities that are defined by the multi-scalar jurisdictional hierarchy. These roles and responsibilities outline how they can participate in resource development. Many municipalities and regional districts are creating economic development strategies to gain access to the economic benefits generated from mineral exploration and mining in NW BC. This repositioning is challenging traditional community resource identities as local governments seek out new ways to compete to attract investment from resource development. In this chapter, first I examine the historical socio-spatial relations between local government and resource development. Changes in government policy and business models over the past decade have left many local governments vulnerable to firm closures and mobility. Second, I discuss how communities are adapting strategies to attract investment, government services and mining servicing companies to develop within their jurisdictional boundaries to access resource revenue to support their local budgets.

7.2. Local and regional service delivery

Settlement communities emerged in NW BC in late nineteenth century, expanding into the mid-twentieth century. Local governments emerged from settlements created along the Grand Trunk Pacific railway, transcontinental line to the NW coast of British Columbia, in 1914 and from company-towns created in the mid-1900s (see Appendix E: History of Local Settlements). Until the completion of the railway, the region was remote, inaccessible and considered dangerous and the Province cautiously promoted migration. Local historian R.G. Large (1995) captures the isolation of the region from the rest of the province in an excerpt from a government bulletin published in 1902 regarding settlement to the region.

It must be understood that settlers who go in there [the Bulkley Valley in NW BC] will, for some time, be wholly isolated, and that, for three years at least, their property will be unproductive... Similar remarks apply to the whole northern interior, as without communication and without market, except that afforded by local mining development—still in its infancy—it requires some capital and a good deal more pluck to await patiently the day when railways will afford both. (p. 65)

The construction of the Grand Trunk Pacific Railway facilitated the expansion of provincial jurisdictional authority, the construction of settlements and access to natural resources (Leonard, 1996). The new town sites became service-centres for resource extraction in the region. To advance resource development, in the 1960s, the provincial government instituted an instant town policy that accelerated the incorporation of new municipalities.

Historically, British Columbia's (B.C.'s) political and social structures have been shaped by the nature of the province's economy. Nowhere was this fact more evident than in the remote communities that supported the province's lucrative resource extraction industries. Commonly referred to as

"company" or "shack" towns, the land, buildings and services in these places were often wholly controlled by the same company that owned the adjacent mine or mill. (Ministry of Community, Sport and Cultural Development, 1999)

These local government institutions became the fundamental planning and service delivery centres in NW BC.

The roles and responsibilities of local government institutions are defined within a multi-scalar jurisdictional hierarchy defined by senior levels of government. Section 92(8) of the 1867 Constitution Act grants the province the power to alter municipal boundaries, define financial sources or abolish municipalities (Dewing & Young, 2006). Table 18 presents a general distribution of service responsibilities between the three orders of government in Canada.

Table 18: Current Roles and Responsibilities in Canada

	Federal (national)	Provincial (sub-national)	Municipal (local)
Emergency preparedness	✓	✓	✓
Arts and culture facilities/events	✓	✓	✓
Economic development	✓	✓	✓
Parks and recreation	✓	✓	✓
Pensions and income support	✓	✓	✓
Aboriginal peoples	✓	✓	✓
Immigration	✓	✓	✓
Public health	✓	✓	✓
Industry	✓	✓	✓
Environment	✓	✓	✓
Policing	✓	✓	✓
Transportation infrastructure	✓	✓	✓
Housing	✓	✓	✓
Border security	✓	✓	✓
Emergency medical services		✓	✓

Hydro services		✓	✓
Bylaw enforcement		✓	✓
Health care		✓	✓
Social assistance and social services		✓	✓
Administration of justice		✓	
Indirect taxation	✓	✓	
Direct taxation	✓	✓	
Post-secondary education, training & research	✓	✓	
Agriculture	✓	✓	
Municipal streets and roads			✓
Water and wastewater			✓
Waste and recycling services			✓
Fire protection			✓
Public transit			✓
Municipal planning			✓
Public libraries			✓
Business and building licensing			✓
Parking			✓
Money and banking	✓		
International and inter-provincial/territorial trade	✓		
Airlines and railways	✓		
Telecommunications and broadcasting	✓		
Foreign affairs and international assistance	✓		
Defense and veterans affairs	✓		
Employment insurance	✓		
Criminal law	✓		
Fiscal equalization	✓		
Primary and secondary education		✓	
Municipal institutions		✓	
Natural resources		✓	

Source: (Federation of Canadian Municipalities, 2006, p. 33)

The roles and responsibilities of local governments are determined by provincial and territorial governments. This includes providing the infrastructure and services demanded by the Canadian public. Local level governments are responsible for maintaining physical infrastructure such as water, sanitation, electricity and transportation, in addition to providing services such as public health, public safety and recreation, and managing land use planning, economic development and housing.

In the early 1990s, the Union of British Columbia Municipalities (UBCM) presented a *Bill of Rights* for municipalities to the provincial government requesting greater freedom and powers for local governments. From this movement emerged the *Community Charter* that consolidated and adapted existing legislation that governs municipal government and introduced new powers to enable more municipal control over fiscal management. In the *Community Charter*, the province recognises municipalities and their councils as an order of government within their jurisdiction that:

- Is democratically elected, autonomous, responsible and accountable;
- Is established and continued by the will of the residents of their communities; and
- Provides for the municipal purposes of their communities.

(Community Charter, 2003, s.1(a)-(c))

The fundamental powers granted to municipalities under the *Community Charter* increases the capacity of local government and increases local control by reducing the need for provincial approval for a number of local decisions (Plant, 2009).

The vision of the Community Charter is that local governments should have the freedom and resources they need to do their jobs better. By continuing to recognize municipalities as an order of government within British Columbia, the Community Charter will support municipalities to reach their goal of more autonomy and self-reliance. More powers, better tools and more access to financial and other resources will reduce the

dependence of municipalities on the provincial government, creating a more equal relationship. The Community Charter seeks to reinforce a new attitude of partnership. (Ministry of Community, Aboriginal and Women's Services, 2001, p. 21)

The *Community Charter* expands the corporate powers of a municipality and grants municipalities the powers of a “natural person of full capacity” (Community Charter, s.8 (1)). The extension of corporate governance principles into local government advocates as an opportunity for municipalities to have more flexibility in service delivery (Plant, 2009).

Local governments receive only eight cents of every tax dollar collected in Canada, with the remaining 92 cents allocated to provincial/territorial (42 cents) and federal governments (50 cents) (Federation of Canadian Municipalities, 2006). Yet local governments are responsible for providing a vast array of services that impact the daily lives of all Canadians. The Federation of Canadian Municipalities in 2006 prepared a report outlining the fiscal challenges facing local governments across Canada.

Municipal governments are increasingly responsible for the social infrastructure in their communities. They deliver programs that support immigrants, opportunities for Aboriginal people, affordable housing, childcare (in some jurisdictions), sport and recreation, and emergency preparedness and public security. In rural communities, the challenge is compounded by a small (and in some cases shrinking) population base, limited economies of scale and rising service expectations. (Federation of Canadian Municipalities, 2006, p. 7)

In British Columbia, municipalities and regional districts generate revenue to support local budgets through property taxes, grants from the provincial government, collection of user fees or funding partnerships with other organizations. Local governments generate on average, 48% of revenue from residential and commercial property taxation (Union of British Columbia Municipalities, 2006). Property taxes are calculated based on

the market value assessment of buildings located within the jurisdictional boundaries. Therefore, local governments require residential, commercial and industrial development to be located within their jurisdictional boundaries, for economic development to support local budgets. In the context of resource development, local governments hope that companies extracting resources from the region will construct buildings within the municipal or regional district boundaries to add to the government's tax base (Local Government Interview, 2010).

7.3. Local government and resource development

The establishment of settlements in NW BC facilitated the expansion of resource extraction. Municipalities became linked to adjacent resource activities, dependent on companies to provide employment and investment in the local economy. Over time, industry-community relations have evolved as different resource sectors have grown and declined throughout the region. Currently, local governments have had to adapt to the changing economic context of the global economy, new industry operating models and the need to compete to attract investment (Hayter, 2000).

In the past, local governments located in regions with high levels of resource extraction would often have one large industrial property within their jurisdictional boundaries that would provide the tax revenue needed to pay for services (Gunton, 2003). For example, in NW BC, the District of Kitimat has Rio Tinto Alcan within their boundaries, and until recently Eurocan Pulp and Paper Mill. However, the restructuring of the forestry industry has caused a number of these large industrial properties close or relocate, often neglecting property taxes, causing stress to local government budgets. In addition, an industry wide movement started by Catalyst Paper in 2009 began to lobby the provincial government that industry was unfairly burdened by local government industrial property taxes. They argued that industry was carrying to great of responsibility for funding local government and were receiving very little in return for their tax dollars.

Catalyst Paper believes that equitable and competitive municipal property taxes are an important part of the broader conditions that will help secure the long-term viability of its British

Columbia operations. 2009 marked a turning point on this issue. Uncompetitively high municipal taxes had accounted for about half of Catalyst's losses over the preceding five years, yet extensive analysis and dialogue with governments had failed to result in meaningful relief. With especially difficult economic and credit conditions to contend with, Catalyst made property tax payments to each of its mill communities that more closely approximated the actual cost of municipal services provided, and started legal actions aimed at bringing about a resolution of this long-standing issue (Catalyst Paper, 2012).

This is a concerning development for local governments because property taxes is currently the only way municipalities and regional districts can gain direct benefits from resource development occurring in the region.

In response to the threat to municipal budgets, the Union of British Columbia Municipalities (UBCM) issued a resolution to work with the province to address the revolt of pulp and paper mills against municipal property taxes.

WHEREAS the authority of municipal governments to apportion the local property tax burden amongst assessment classes is an important and successful feature of local governance in British Columbia and both municipalities and regional districts:

Are reliant on property taxation in order to deliver services in a manner that is responsive to community needs, and

Have a legitimate right to expect that all taxpayers pay taxes that are levied on their properties;

AND WHEREAS major industry:

Is important to the continued viability of our communities and the economic vibrancy of the province as a whole, and

Some major industrial taxpayers are contesting the tax burden that has been apportioned to them or have, for economic or other reasons, not paid taxes levied on their properties:

THEREFORE BE IT RESOLVED that UBCM work with the provincial government on resolving industrial taxation issues within a framework that acknowledges:

- (1) The fundamental importance of local government control of property taxation for local purposes;
 - (2) The need to gather and analyze data with respect to the taxation system as it relates to industrial properties;
 - (3) The need to involve representatives from local governments and industry;
 - (4) The effect that taxation of industrial properties within municipalities has on regional district revenues; and
 - (5) Local government's legitimate expectation of fair compensation if the principle of local autonomy in relation to this fundamental principle is set aside in any particular instance.
- (Union of British Columbia Municipalities, 2009)

The provincial government responded by establishing a task force to investigate how to accommodate industry demands and respect the designated authority of municipalities to tax industrial properties within their jurisdictional boundaries. In 2012, a report submitted to the task force by the UCBM, outlining the unwarranted claims that local

property taxes have on business profitability. The report summarises that municipal taxes represent a small portion of the overall taxes paid by business (Union of British Columbia Municipalities, 2012). This recent battle between pulp and paper mills and municipal taxation exacerbates the already stressed economic relationship between the forestry sector and communities in the NW. In response, many local governments are turning attention to the mineral exploration and mining industry to fill the void left by the declining forestry industry.

In NW BC, dependency on mining and mining related employment is highest for the municipalities of Terrace and Kitimat, followed by the communities of Smithers and Houston (Table 19). This reflects the distribution of operating mines in the far northwest and the competitive positioning of the City of Terrace, District of Kitimat and Town of Smithers to attract mineral processing and services for the region.

Table 19: Community Dependency Table North Coast and Nechako Development Regions

	Percentage Income Dependencies (After Tax Income 2006)											
	Forest	Mine & Mine processing	Fishing	Ag.& Food	Tourism	High Tech	Public Sector	Construction	Film Production	Other	Trans Payments	Other non-employment
Kitimat-Terrace	14	22	1	0	4	0	26	5	0	3	14	10
Hazelton	18	3	1	1	2	0	40	2	0	2	25	5
Stewart	3	8	4	0	7	0	52	7	0	3	12	3
Smithers-Houston	31	9	0	2	5	0	23	5	0	2	13	9
Burns Lake	37	3	0	3	3	0	26	3	0	2	14	9
Vanderhoof	42	8	0	3	3	0	20	3	0	1	12	7
Stikine	4	11	1	0	7	1	48	15	0	4	6	2

Source: (Horne, 2009, p. 23)

Municipalities such as the City of Terrace are positioning the local economy to become the mining service centre for the region. Traditionally the Town of Smithers has been considered the mining service centre for the region and most mine development over the past decade has been in the Regional District of Bulkley-Nechako. The sign that welcomes people to the Town of Smithers reads, "Welcome to Smithers Mining's Jewel of the North". Smithers identifies as "a community of choice" for mineral exploration companies and mining professionals.

It's a place people choose to live. This is a rail town in its roots. This community is here in this place for a reason. And we think we are very well situated...they [mining companies] choose Smithers because it's a more attractive community for their people. For mine managers and geologists, they said yeah they can live in Smithers. (Smithers Municipal Government Interview, 2010)

As mineral exploration has increased over the past decade in the Regional District of Kitimat-Stikine, the City of Terrace is challenging Smithers' traditional hold as the mining service centre in the region. In 2009, a sign announcing Terrace as "Your Mining and Resource Service Centre" was a topic of discussion at the Smithers Chamber of Commerce Mining Week luncheon, sponsored by the Smithers Exploration Group. One presenter expressed a general concern over Terrace assuming a mining identity and the impact this would have on town of Smithers "which has always been the centre for mining in the region" (Smithers Event, 2009).

We know we need to stop arguing with Smithers about who is the mining service centre, but we're not going to stop going after mining. Even if we're not branded as the mining centre, the mines are still going to come through here because we have three airlines [referring to the Northwest Regional Airport Terrace-Kitimat]...and if they go to Smithers it's not a big deal because people from Smithers still come and do all their

shopping in Terrace. (Terrace Municipal Government Interview, 2011)

The reluctant acknowledgement of regional scale benefits, regardless of which community has the right to identify as the mining centre for the NW, reflects how resource place identities are still present.

Communities identified with declining sectors, such as forestry, are trying to capture investment from growth in mineral exploration and mining.

Looking forward I think that Terrace needs to expand for mining and we recognize that Smithers is well positioned for a mining resource centre, but I think there is an appetite for there to be some industry and government services to come to Terrace. I don't think that we want to take away from another local place for our gain but somehow we need to grow the pie so everyone gets a bigger slice...there is a certain level of competitiveness between the communities because they [the mining companies] do need to make a choice of where they're going to go. (Terrace Municipal Government Interview, 2011)

Municipalities across the region are shifting economic development strategies toward attracting investment from the mineral development industry. The competition to attract services for mineral exploration and mines is one of only ways local governments can directly benefit from the expansion of the sector in the region.

7.4. Strategies to capture benefits from mining

The competition between municipal governments is creating a competitive environment between municipal governments throughout the region that is at times in conflict with regionalist type strategies of collaboration. Collaborative strategies to capture benefits from mineral development include negotiating commitments from companies during the environmental assessment process and lobbying the provincial

government for a share of the resource revenues generated from mining. If a mineral project, moves into the mine development phase, local governments, along with First Nation governments, have the opportunity to negotiate benefits from mining companies by participating in the environmental assessment (EA) process. An EA certificate is required for mine development projects that may have long-term environmental, economic or social impacts on the area. The EA process requires companies to consult with local stakeholders to address concerns and identify mitigating opportunities. The British Columbia Environmental Assessment Office describes four key elements to the process:

- Opportunities for the involvement of all interested parties;
- Consultations with First Nations;
- Technical studies to identify and examine potential significant adverse effects;
- Strategies to prevent, or reduce, adverse effects; and
- Development of comprehensive reports summarizing input and findings. (British Columbia Environmental Assessment Office, 2001)

This process allows communities to identify potential negative impacts and negotiate mitigating actions the company must commit to undertake. Representatives from adjacent municipalities and the regional district in which the proposed mine is located, participate on a project working group composed of government and company representatives to discuss potential social and economic impacts.

There are often positive and potentially negative impacts and they [local governments] have input and they help identify concerns and issues. Usually it is around services that are provided in their community housing, schooling, emergency response are the issues that they will be focusing particularly on...also looking at how the local work force can benefit for directly from employment opportunities and also contracting

opportunities. (Provincial Government, Environmental Assessment Office Interview, 2010)

The commitments made by the company become a part of the EA certificate and remain attached to the property. This means that even if the property is sold to another company they are still required to meet their commitments associated with the certificate (Environmental Assessment Office Provincial Government Interview, 2010).

The majority of mineral exploration and mine developments occurs within the jurisdictional boundaries of a regional district. Regional districts serve as both a regional cooperative governance structure for municipalities, to negotiate shared issues and services, and as a local government body for people living in unincorporated communities. A board of directors governs each regional district, composed of elected representatives from each municipality contained within its border and representatives from the rural electoral areas within the district (Ministry of Community Services, 2005). Regional districts take on a more active role in resource management planning activities, public consultations for EA process, regulate the use of roadways and landfill facilities by companies operating within their jurisdictional boundaries, and collect associated property tax from buildings constructed at mine sites (Regional District of Kitimat-Stikine Interview, 2010). Regional districts also provide a collaborative structure for municipalities to engage in regional economic development strategic planning.

Over the past five years, the Regional District of Kitimat-Stikine has been most actively participating on EA applications for new mines within their jurisdictional boundaries. The Regional District of Kitimat-Stikine has the greatest number of mining related EA certificate applications within their jurisdictional boundaries in NW BC, and will often represent both the regional district and member municipalities during the consultation process.

I would say it at this regional district has always taken an involved in environmental assessment process it is probably reflective of the people that we have working here, in there are a lot of local governments that don't sit on the working committees which is too bad...If they don't have a big office

they can't be sparing people for days on end for meetings and they will kind of rely on us to attend. If there's something significant to them then they will look to us to alert them but we have always historically taken these processes fairly seriously that is where we start interacting with the company...When we represent on behalf of the community, everything is of interest to us, so it is an advantage to be sitting at the table asking questions...So we can extend our jurisdiction to anything that can be of interest to the community or an impact on the communities we feel we can talk about... (Regional District Kitimat-Stikine Government Interview, 2010)

One of the challenges of relying on the EA process to secure benefits to support local governments is that EA certificates are only required for the development of a mine. Mineral exploration companies do not require an EA certificate and therefore do not need to engage with local governments on the same scale as mining companies. This creates a challenge for local governments to become engaged with mineral development activity occurring in the region until a mine moves into the EA process. As discussed above, there are currently a number of mines in the EA process, however, the timeframe for opening a mine can be 5 to 10 years, and therefore local governments may not see the commitments made by companies during the EA consultations for many years.

This was the case for the communities involved in the EA assessment process for the Mount Milligan mine that is under construction in northeast British Columbia. The Mount Milligan mine is near the Town of Mackenzie in north central British Columbia. The mine development company, Terrane Metals, created a local government *Community Sustainability Committee* with municipalities to support economic development in the region as a part of the EA consultations (Prince George Economic Development Interview, 2010). During the development of the mine, Terrane Metals, engaged with the municipalities of Prince George, Fort St James, Vanderhoof and MacKenzie to develop a community-corporate committee that would help leverage development opportunities for the region (Prince George Economic Development Interview, 2010).

The business model for the mine centres on using the existing infrastructure available within these municipalities rather than depending on flying employees in and out of the region. “They are going to be dependent on the communities, designing the operating model for shift mobility between the communities” (Prince George Economic Development Interview, 2010). In a presentation at the 2010 Minerals North Conference, Terrane Metals described the program as a desire to leave a lasting legacy for communities. “We really want to go in and look at how we fit within the local communities and to leave a lasting legacy. We know that mines have a finite life and are economic generators for the community” (Terrane Metals Presentation Minerals North Conference, 2010). The type of economic development planned for the communities includes employment-training programs, local procurement programs and community grants.

In 2010, Thompson Creek Metals purchased Mount Milligan, the Community Sustainability Committee was a condition of environmental assessment certificate, and because of this the new owners of the property are legally required to fulfil the commitments outlined in the EA certificate. This type of commitment to local governments is unique for the mining industry in Canada and is heralded as a CSR success story at national and international mining conferences. This extension of CSR programs into the EA process, presents an opportunity for local government to negotiate more direct benefits from mining projects. Challenges lie in the timeframe and uncertainty related to mine development and the capacity of small local governments to participate in the EA process.

A second strategy of local governments to capture direct benefits from mineral development is to lobby the provincial government for a “fair share” of the revenue the province collects from companies through taxation. In the 1970s, the Province set aside 6% of resource and sales tax revenue from resource extraction for municipalities (Morley, et al, 1983). Over the past thirty years, the Province of British Columbia has slowly eliminated royalty revenue sharing programs with municipalities. Local governments in other regions of British Columbia, with high levels of resource extraction, have lobbied the provincial government to share a portion of resource revenues. The concept of local governments receiving a fair share of resource revenues stems from an agreement established between the provincial government and a group of municipalities in northeast British Columbia. The *Fair Share Agreement* allocates an annual grant from

the province to assist communities with increased infrastructure costs caused by development of natural gas reserves in the region (Markey and Heisler, 2010). Based on the precedence set by this, the North Central Local Government Association (NCLGA), an organization of municipal and regional district local government leaders in northern British Columbia, put forth two resolutions to the UBCM, requesting that a fair share type agreement for northern municipalities and regional districts to share revenue from mining royalties. The first resolution in 2003 called for the establishment of a *Region 250 Economic Stabilization Fund*, which would access revenue based on the value of resources extracted from within the specific region.

This fund would be used to enable local governments to focus on the development and implementation of economic strategies that will ensure the long-term viability of "250" communities and electoral areas, and finance strategically targeted infrastructure, research and development within the 250 region.

(Northern Central Local Government Association, 2003)

The UBCM Executive rejected the resolution because they did not want to limit resource revenue sharing to the 250 communities and electoral districts identified in the resolution, claiming it was not an accurate representation of the impact of resource development on all communities in British Columbia (North Central Local Government Association, 2003). In 2004, the UBCM presented a proposal to the provincial government for a program to share resource revenues with local governments (Union of British Columbia Municipalities, 2004).

Many areas of the province are resource based, or single industry based. This can lead to a boom or bust economic cycle with high unemployment and reduced economic impact. This problem is compounded because many of these areas have provided revenues to the provincial government vastly in excess of benefits, which have been returned to the areas. This imbalance is impacting the region's balance of power and is providing an unlevel playing field for improving the local

economy by siphoning much needed revenue outside of the region .(p. 1)

The proposal was put forward to the province for consideration, however little action has been taken to advance greater revenue sharing with local governments. Local governments, however, continue to pressure the provincial government to share resource revenues. In 2011, the Regional District of Kitimat-Stikine put forward another resolution at the NCGLA to the UBCM requesting resource revenue sharing with the Province to support local governments in anticipation of growth in mining development.

Resolution B30

WHEREAS mineral industry activity involves non renewable resources and creates demand on Local Government infrastructure and service such as community water services, roads and emergency and protective services;

AND WHEREAS property taxation alone is often inaccessible and insufficient for affected communities with a region to provide needed services and infrastructure:

THEREFORE BE IT RESOLVED the NCGLA and UBCM call upon the Provincial Government to establish a program to provide revenue sharing from mineral royalties for Local Governments affected by mining development in their regions. (North Central Local Government Association, 2011).

The UBCM membership endorsed this resolution along with a similar resolution put forward by the Southern Interior Local Government Association for a Rural Dividend paid to local governments from resource extraction.

Resolution B29

WHEREAS the "Rural British Columbia Project Discussion Paper Series", under an initiative called "Reversing the Tide", has identified a number of best practices that, if put in place, would spur economic revitalization in the rural BC economy;

AND WHEREAS reinvesting a percentage of the natural resource dollars back into the regions from which they are extracted has proven to be a positive step in rural economic revitalization in other parts of the world:

THEREFORE BE IT RESOLVED that the provincial government be requested to develop a program that would provide additional financial and capacity building resources for rural BC communities, as well as create a "Rural Dividend" that would return to rural BC communities a fair share of the revenue created by rural-based resource industry activity in their respective regions. (Union of British Columbia Municipalities, 2011)

The UBCM membership endorsed this resolution with the following amendment.

THEREFORE BE IT RESOLVED that the provincial government be requested to develop a program that would provide additional financial and capacity building resources to communities by returning a fair share of the revenue created by resource industry activity in their respective regions. (Union of British Columbia Municipalities, 2011)

At the time of writing, the provincial government has not responded to the Resolution B29 or B30 but local governments continue to lobby for resource revenue sharing.

The concept of a fair share is a territorial strategy. Local governments, separated from benefiting from resource development by jurisdictional boundaries are claiming the

right to be included in the benefits drawn from the resource activities of which they are dependent. This assertion of territorial rights may have far-reaching implications for both the provincial government and resource companies. The acknowledgement local government territoriality beyond their jurisdictional boundaries, could lead to an extension of consultation and accommodation to all communities in the region and extend industry CSR programs to include non-First Nation communities.

7.5. Conclusion

In chapters seven and eight, I explored the formal and informal territorial and jurisdictional structures governing First Nation and local government in British Columbia. Within the multi-scalar jurisdictional structure, each level of government has varying territorial rights and jurisdictional authority that define the government's roles and responsibilities in mineral development. Traditionally, senior levels of government possessed formal jurisdictional authority and title over land and resources claimed by the Crown during colonization, separating local levels of government and First Nations from claiming territorial rights or title over natural resources. Changes in socio-spatial relations between government-First Nation relations brought about by increased acceptance of First Nation claims of territoriality, challenging the status quo of government-community relations in the region. As First Nation governments gain more influence and control over resource development within their traditional territories, local governments are seeking new opportunities to restructure government relations gain more control and benefit from resource activities. In the next chapter, I examine how the assertions of territorial rights and jurisdictions are used to access benefits from CSR and regional development networks.

8. ACCESSING NETWORKS: CORPORATE SOCIAL RESPONSIBILITY AND REGIONAL DEVELOPMENT

8.1. Introduction

Increased mineral exploration activity in NW BC has raised the expectation of economic benefits for the region. In anticipation of the expansion of mineral development, First Nation and local governments are developing strategies to capture the benefits from mineral exploration activities and mine development. In this chapter, I discuss how corporate social responsibility (CSR) and regional development networks are emerging as two differentiated economic development strategies for First Nation and local governments. I argue that senior levels of government and companies use territorial rights and the multi-scalar jurisdictional hierarchy to determine inclusion in CSR and regional development networks using the concept of ‘earning a social license to operate’. The adoption of the concept of the ‘social license to operate’ by the mineral development industry has is redefining the socio-spatial relations within the region. Not all communities in the region have the same level of control over granting a ‘social license to operate’. First Nation governments have greater control within the region, empowered by senior levels of government and reinforced by new industry standards to respect the territorial rights of indigenous peoples. Non-First Nation local governments remain bound by multi-scalar jurisdictional hierarchies and must rely on other regional development strategies to capture benefits from mineral development for their communities.

8.2. Controlling the social license to operate

CSR rhetoric, generated by senior levels of government and the mining industry, demands that companies need to earn a social license to operate from communities

impacted by project activities. Global and national industry associations use the concept of the social license as the theoretical foundation for CSR and as a risk mitigation strategy to protect property rights and avoid political conflicts with local populations (Cheshire, 2010; Idemudia, 2009; Yakovleva, 2005). As discussed in chapter two, debates exist as to the theorization of the concept of the social license, proposing it is as much a tool of rhetoric to advance global capitalist interests by managing public relations, rather than an evolution of business ethics to protect local communities from corporate indifference (Blowfield, 2005).

In the case of NW British Columbia, the context of unresolved treaty negotiations, both industry associations and senior levels of government promote earning a social license through the implementation of CSR networks. The provincial government uses jurisdictional authority over mineral development to encourage companies to adopt the role of mediator with First Nations whilst land claim negotiations continue. Companies are strongly encouraged to negotiate interim benefit agreements directly with groups claiming territoriality in the region, as a way to reduce conflict and secure First Nation support for their projects. This enables the advancement of mineral development while formal treaty negotiations continue. To address the political demands placed on companies and increased global pressures from investors, human rights and environmental lobbies, international and national mining industry associations are developing CSR networks, which connect communities and companies to national and international industry association standards of corporate responsibility. These strategies include defining communities of interest and determining which communities claim jurisdiction over the issuance of a social license to operate to help mitigate the risks of operating within a contested jurisdictional context.

Control over the social license to operate is creating a new jurisdictional space outside of the formal multi-scalar jurisdictional hierarchy. Groups that control the social license to operate have the power to approve or reject projects based on the judgement of the group. Governments and corporations use a rights-based argument to decide which groups have the authority to issue the social license to operate (Ministry of Energy, Mines and Petroleum Resources, 2005; International Council on Mining and Metals, 2001; International Institute for Environment and Development, 2002). The mining industry generally uses territorial principles or proximity to the project to define

who has the greatest interest and therefore the greatest political leverage to disrupt project activities. Many companies attempt to mitigate the risks to project development, by acknowledging First Nation authority to approve projects within their traditional territories. By doing so companies are recognising a new form of jurisdictional authority of local groups based on their control over areas in which they claim territoriality. In a contested territorial jurisdictional context, this practice has the effect of validating and rejecting territorial claims. Companies will seek a social license from whoever has the greatest political leverage to interrupt their projects.

In NW BC, this practice is reshaping the socio-spatial relations between First Nation and non-First Nation communities in the region. Interviews with industry associations and senior levels of government often reference the need for companies to earn a social license operate but offer vague explanations of what this means or how it is accomplished.

Well but I think the social license starts with communication - earlier, often, always - as soon you start working an area, it is just having those conversations with the local community whether it is a First Nation or it's not. (Mineral Industry Association Interview, 2010)

Well I think that you have to be a good citizen really, that you are doing the best job you can and try to contribute to the community that we live in, the local community but also the greater community where we work in. (Mineral Industry Interview, 2010)

Senior levels of government have also adopted the term social license in framing their expectations of how companies will operate in British Columbia. At the 2010 *Minerals North Conference*, the acting Minister of State for Mining described the government's expectations on how companies should engage First Nations to earn a social license.

The government will do revenue sharing but you have the responsibility to earn a social license and job creation and build

social infrastructure. We know that if you open a mine in a First Nation's territory, the best thing that you can do is have people in the mines from that community and to hire, adding to the respect of the people. That it is critical, I think, that we get these partnerships between us and we try to knock down some of the hurdles that have stopped us from talking to each other. And again, it makes it more difficult when there seems to be competition between the different bands, all First nations and non-First nations must work together a help to build a better richer British Columbia. (Public Address, former Minister of the State for Mining, 2010 Minerals Conference, Prince George)

How a company earns a social license and from whom, is a highly contentious issues for mineral exploration and mining companies. "Somehow or other we have to establish the boundaries of interest ... in BC we have too many overlapping claims, from a CSR perspective it makes it very difficult and you end up spreading yourself too thin" (Mineral Industry Association Interview, 2010). Evolving national and provincial statute and litigation of Aboriginal rights and title, creates a challenging environment for companies to determine which group or groups have the authority over the granting a social license. The provincial government provides companies with numerous resources and information to aide in understanding the legal and political context of First Nation governments to encourage companies to undertake their own consultation activities. This strategy creates a public-private partnership with industry, to resolve conflicts of access to First Nation traditional territories by using corporate funding to address the socio-economic inequities of First Nations peoples.

Within this context, non-First Nation local governments play only a supplementary role in granting a social license to operate.

I would say that the companies are pretty good at earning their social license. I would say we are not demanding, as local governments, we could be a lot more demanding. And really, what happens is that they are conscious of this rights and title

thing that they're spending all of their resources on dealing with First Nations. (Regional District Kitimat-Stikine Local Government Interview, 2010)

Local government representatives discuss the social license more in terms of corporate-community relations, often with little reference to expectations of associated direct benefits from companies.

We haven't really seen them have to do it [earn a social license] but we have a very good relationships with a lot of these companies. Like there is a company where they've been coming back to Stewart for 25 years. The companies that are operating here are so good, well, that there is no one standing back questioning their motives the companies are more than willing than talk to people. (District of Stewart Municipal Government Interview, 2010)

The historic economic dependencies of communities on resource development, positions local governments more in a role of community booster and accommodation of company requests, rather than negotiating the terms of a social license. The differentiation of the role First Nation and local governments play in the granting the social license to operate is reflected in the expectation of the type of economic benefits the community will receive from mineral development. Table 20 compares the type of benefits First Nation and local governments are considering.

Table 20: CSR Expectations First Nation and Local Governments

First Nations	Local Governments
<ul style="list-style-type: none">• Privately negotiated agreements• Impact benefit agreements• Memorandums of Understanding• Cash donations to government• Local hiring• Training• Local contracting	<ul style="list-style-type: none">• Local hiring• Local procurement• Local contracting• Branch offices• Fly-in-Fly out pick-up locations• Donations to community groups

As will be discussed below, the key difference between First Nation and local government expectations is how the benefits are defined and accessed. First Nation expectations are for benefits to flow both directly from companies to the government and indirectly through the local economy. Local government expectations are for benefits to flow indirectly, through the local economy, rather than received directly by the local government.

8.3. Accessing CSR networks: First Nations

For most companies, earning a social license has translated into contributing cash directly to First Nation governments and supporting training and employment for First Nation people in mineral exploration (Mining Company Interview 2010). For companies, this proposes a straightforward approach to managing public relations and securing a local labour supply. As discussed in chapter six, First Nation governments are proactively redefining contemporary corporate-community relations by developing sophisticated social enterprises, consultation protocols and benefit sharing contracts with companies to capitalize on the opportunity to participate in resource development activities and to negotiate corporate donations to support community programs and infrastructure. For larger projects, companies are entering into private contracts with First Nation governments called impact benefits agreements.

Sosa and Keenan (2001) describe impact benefit agreements as “a mechanism to develop a formal agreement between a mining company and a local community with the purpose, to: i) address the adverse effects of commercial mining activities on local communities and their environments, and ii) to ensure that First Nations receive benefits from the development of mineral resources” (p. 2). For example, the Tahltan Central Council entered into an impact benefit agreements with Barrick Gold during the operation of the Eskay Creek mine. Barrick Gold’s annual CSR reports reflect the scope of the benefit agreement, reporting the guaranteed employment of Tahltan people at the Eskay Creek mine and a \$1 million annual contract to maintain the Eskay Creek access road (Barrick Gold Corporation, 2004). In addition, the Tahltan Central Council utilized the Tahltan Development Corporation to manage the contracting of construction, catering and janitorial services to the mine, in addition to negotiating trucking contracts

and training for their members (International Institute for Sustainable Development, 2004). Barrick reports approximately 35% of the Eskay Creek mine staff were members of the First Nation (Barrick Gold Corporation, 2005).

Employment quotas or guarantees of jobs and training for First Nations are a common component of impact benefit agreements (Mining Company Interview, 2010). In 2008, the *BC Mineral Exploration and Mining Labour Market Task Force*, a committee composed of senior levels of government, labour unions, employers, First Nations, industry associations and sector councils, prepared a the *British Columbia Mineral Exploration and Mining Industry Human Resource Strategy 2008-2012* (BC Mineral Exploration and Mining Labour Market Task Force, 2008). The report addresses anticipated labour shortages threatening the continued expansion of mineral exploration in British Columbia and identified Aboriginal training and employment as one of the ten strategic priorities.

- Increasing Aboriginal partnerships and participation deliverables;
- Increased Aboriginal participation in employment in the industry;
- 400 job-ready Aboriginal people entering mineral/mining entry-level jobs;
- Increased Aboriginal high school student interest in mineral/mining industry and careers;
- Increased Aboriginal entry level worker retention in mineral/mining jobs;
- Increased company awareness of and participation in tapping Aboriginal labour supply; and
- 600 mineral/mining managers and employees with increased awareness of/sensitivity to Aboriginal/cultural diversity.

In NW BC, the *Smithers Exploration Group* and *Northwest Community College* (NWCC) created the *School of Exploration and Mining* (SEM), a skills development program to increase the participation of First Nations in the mineral exploration labour force.

NWCC's School of Exploration & Mining was created in direct response to industry needs for a local skilled labour force. Based in Smithers, the School works with the guidance of NWCC's First Nations Council in partnership with Smithers Exploration Group (SEG) and the BC Ministry of Energy, Mines & Petroleum Resources, to deliver timely applied-knowledge courses and programs...The School is committed to working with First Nations to create sustainable economic development in the north, and providing training opportunities that will increase employment opportunities for local First Nations populations (Northwest Community College, 2011).

In a promotional article published in an industry online magazine, promoting the SEM program, the authors explain how companies need to embrace this type of program to earn a social license to operate.

Increasingly, companies around the world are recognizing the need to operate in a socially, economically and environmentally responsible manner. Because the concept of earning a "social licence to operate" is still relatively new, different companies, academics and governments have diverse ideas of what constitutes social responsibility in the mining industry. However, most agree that a social licence goes beyond adhering to existing regulations, and that it implies continuous efforts to build relationships with local communities and First Nations to maximize benefits locally. (Costa et al, 2008)

The NWCC SEM exemplifies the embedding of the social license within government and corporate policy. In this context, maximizing benefits for First Nations through training and employment is a criterion for earning a social license to operate. The SEM reports a 70% employment rate of First Nation participants in the program and the partnership with the *Smithers Exploration Group* has resulted in companies giving SEM graduates

hiring priority. Senior levels of government support such programs as a part of building the *New Relationship* policies to increase the participation of First Nations in the British Columbia economy. (Government of British Columbia, 2008)

The program provides skills development and access to employment needed for this segment of the British Columbia population. Training and local employment of youth aids in reducing youth out-migration from the region to larger urban centres, which has social, cultural and economic benefits for First Nations communities and the region as a whole. The SEM program is also specifically designed to be culturally attainable for First Nations youth who may not have participated in a structured program outside of their home community prior to entering the program. This includes bringing in a First Nation Elder into the training camp to provide support and chaperon for the students (Northwest Community College, 2011).

Using local First Nations as a trainable local labour pool for the mineral development industry receives mixed feedback from First Nation communities. Some First Nation community development practitioners are raising concerns regarding this form of public-private partnership for economic development. At an Aboriginal engagement training session at the 2009 *Minerals North Conference*, a First Nations government representative discussed how creating a semi-skilled First Nation labour force for the mineral exploration industry does not provide the diversity of skills needed by the community for a long-term sustainable future. “The offer of jobs isn't a benefit - careers are needed so people aren't dependent on the company... we don't agree with targeted employment we want to work on competencies and building competencies” (First Nations Participant Minerals North Conference, 2009). There is an implied concern of the dynamics of the First Nation and mineral development industry relationship created through the development of CSR networks.

First, sector specific training of First Nations youth creates widespread dependency in an industry that is highly sensitive to fluctuating commodity markets and access to capital, over dependency on the mineral sector for employment may result in mass unemployment during economic downturns or mass out-migration of young people seeking employment in more prosperous region (First Nations Participant Minerals North Conference, 2009). Second, using employment as the main criterion for earning a social

license ignores that companies are exploring and extracting minerals in contested spaces, where Aboriginal title is still under dispute. Employing First Nations people to participate in the exploration and extraction of resources on land in which they are currently fighting for title, appears more as an industry strategy rather than concern for ethical business practices. Rather than waiting for the negotiations of Aboriginal title to be resolved, and jurisdictional control over mineral resources to be decided, the provincial government and industry are using the concept of the social license to give First Nations pseudo control over resource development, without relinquishing a companies' property rights or provincial authority to manage resources within First Nation traditional territories.

In addition, the amount of money exchanged between companies and First Nation governments in impact benefit agreements is a confidential issue that is raising concerns with senior levels of government and companies (Shanks, 2006). Senior levels of government do not have access to information about the amount of money transferred to First Nation individuals or governments because they are private contracts (Environmental Assessment Office Provincial Government Interview, 2010). From the perspective of industry, the goal is to create their own level of certainty for their projects (Mining Company Interview, 2011). From the perspective of senior levels of government, they encourage these negotiations, informally through support for industry initiatives, such as an Aboriginal training program for employment with mineral exploration companies, and formally, through the provincial environmental assessment process, which requires companies to negotiate support from Aboriginal communities claiming territory over their project sites (Ministry of Mining, Provincial Government Interview, 2010).

The confidentiality of the agreements makes it challenging to know exactly what companies have promised to First Nation governments. The private nature of the impact benefit agreement contracts restricts transparency of where funds are directed and how and there is a general suspicion that companies are "paying off" First Nations to gain support for their projects.

Corporate donations are usually made for reason and so it is difficult to find out about...It is really interesting and having to

have worked with First Nations and non-First Nations it is a very different process and I was seeing some scary bad corporate things go one with First Nations. I know it is not accounted for. They are confidential private agreements that are signed and the money goes into private confidential bank accounts.

It is not obvious to the non-native community and it is a standard that would not have even been brought to the table in and non-native community. For example, the process of giving money or giving perks and people are not fully understanding what they are signing for. That is so historical when it comes to lands, and when it comes to surrendering lands and all that other crap and now seeing it happening with corporate stuff. It's happening again and is happening is to smaller communities with less capacity. (First Nations Community Development Representative, 2010)

Anecdotally, large sums of money are being passed to individuals and governments between companies and First Nations throughout the region. And, although companies complain about the growing demands from First Nation governments, they continue to conceal specifically how funds are directed through these closed CSR networks.

Additionally, the impact benefit agreement is between the First Nation government and the company, and may not be transferrable if the property is sold to another company. It is very common for a company to develop a mining property and then sell it to another company that will take over operations; the new company may not necessarily adopt benefits outlined in an impact benefit agreement (Industry Association Interview, 2010). This creates a risk factor for First Nation governments dependent on the benefits from impact benefit agreements. Overall, the benefits appear to outweigh the risks, as senior levels of government, industry associations and First Nations continue to encourage and pursue the signing of private impact benefit agreements.

8.4. Access CSR networks: Local governments

The current practice of employment quotas and signing impact benefit agreements is exclusively applied to First Nation governments or affiliated development corporations (Industry Association Interview, 2010). Industry associations do not promote the extension of CSR networks to include non-Aboriginal local governments. Companies target limited CSR resources to the communities that have the greatest power to delay or disrupt projects. For local governments, companies tend to promote the economic development potential, such as, job creation and business development opportunities, rather than negotiating direct company contribution to support local government budgets. These benefits are more passively distributed. For example, whereas there may be a targeted First Nations training and hiring quota, companies do not formally commit to hiring a specific number of non-First Nation people from municipalities or regional districts. For example of the Eskay Creek mine, Barrick Gold did not negotiate impact benefit agreements with adjacent local governments. The unincorporated Village of Dease Lake and the incorporated municipality of Stewart report receiving one-off corporate donations. Interviews with community representatives characterised the community donations as “typical” company donations to local sporting teams, service groups and other fundraising events (District of Stewart, Municipal Government Interview, 2008).

Generally, there is strong support of local governments for the CSR benefits directed to First Nations communities. This support is grounded in an acknowledgement of historical inequities directed at First Nation communities, but also, the recognition that strong First Nation communities will be of benefit to the rural regions as a whole. “It would be disrespectful to First Nations for us to go to the companies right now and ask for our own benefit agreements” (District of Kitimat Economic Development Interview, 2009). From a regional perspective, which community receives the benefits may not be as important as the fact that there is some investment coming into the region that can be circulated through the economy. “They [First Nations] are all a part of our regional district, so if they all sign benefits agreements then I know some of that income will flow throughout the region even though we never see that agreements” (Regional District of Kitimat Government Interview, 2010). There is however winners and losers as to which

jurisdictions receive the direct benefits from resource companies. The winners receive a boost to local budgets compensating for greater demands on infrastructure and socio-economic impacts of increased mineral development activities on their communities. The losers must lobby the government and the private sector to receive a portion of the wealth being extracted from the region.

8.5. Accessing regional development networks: Local governments

Outside of commitments made by companies during the EA process, jurisdictional legislation limits the type of agreements local governments can enter into with companies (Union of British Columbia Municipalities Interview, 2010). In addition, the majority of mineral development activity occurring in the region is in the mineral exploration phase, which does not require consultation with local government or an EA certificate. Therefore, local governments are focusing energies on building regional scale economic development strategies to attract investment to municipalities and regional districts.

Municipalities are reliant on the ‘spin-off’ effects from resource activities occurring in the region, such as improved housing markets and small business development, and are actively engaged in lobbying for increased resource development in the region. This includes strategies to entice companies to open branch offices, mineral development support services, and housing developments to attract industry workers to locate within their communities.

There is an obvious benefit if a mining company chooses to house their employees in our communities and obviously there is a direct benefit from those [residential] property taxes and those workers living and shopping in the community...I think that another impact is that maybe there is a renewed sense of optimism that comes from a large industrial development, so if you look at the peripheral spin-off it could help us to have new businesses open in town just knowing that there is an increase

of activity in the community. (Terrace Economic Development Interview, 2010)

Municipal budgets benefit from increased economic activity in the region through the retention of residents (employment and business development opportunities), with anticipated goal of an increasing in residential and non-residential property tax revenue and grants to support local programs.

Interviews with local government, business representatives and economic development organizations reported the spin-off activities vary significantly by company. Some companies will purchase supplies from local firms such as general equipment for exploration activities and food supplies for the exploration and drilling camps. For example, the District of Stewart serves as a supply base for many exploration companies and the location of a small shipping port with access to the Pacific Ocean. It is the only municipality located north of Highway 16 along the Highway 37 corridors and has a small business district, supported primarily by mineral exploration activity in the region. Mineral exploration companies can easily land helicopters at the end of main-street, to pick up supplies and access a limited number of services in the community, including a health clinic. Stewart also benefits from the location of small privately operated port facility. Currently, two mines are trucking ore hundreds of kilometres to Stewart that are then shipped to Asia.

Stewart has experienced decades of booms and bust teetering on the mining industry. Extensive exploration activities over the past decade and planned major mining projects makes the local government optimistic for future investment attraction for the community. "We're trying to move forward and get a development plan and an action plan and we're trying to develop a community profile so that we'll be able to contribute the information that they need when entering their feasibility study" (Stewart Economic Development Interview, 2011). Many communities in the region are getting ready for the proposed developments for the region.

In 2010, the possibility of new major mining projects in the NW was advanced by the approval of the Highway 37 Northwest Transmission Line (NWTL). The NWTL is public-private partnership between the Province of British Columbia, Government of

Canada, the Tahltan Nation and Coast Mountain Hydro L.P. The mining industry has lobbied for the development of the NWTL for decades. In 2010, the Province of British Columbia entered into a partnership with Coast Mountain Hydro for a \$180 million dollars investment for the construction of the hydro line, for an electricity purchase agreement between BC Hydro (a provincial crown corporation) and the company. Municipalities and industry actively lobbied the provincial and federal government for the development of the NWTL. Companies such as Imperial Metals that have proposed projects dependent on the transmission lines were sponsored the *Northwest Power Coalition*, a lobby group sponsored by mining companies and the Northern Development Initiative Trust (NDIT) to engage with local communities to pressure the provincial government to move forward with the NWTL (Empower Highway 37, 2010).

The NDIT supports regional scale economic development strategies by managing funds provided by the provincial government to encourage economic diversification in northern British Columbia. The NDIT structure is reflective of a neoliberal economic development strategy that encourages public-private partnerships by promoting new regionalist strategies such as inter-jurisdiction collaboration and regional scale branding for investment attraction. In 2012, the NDIT funded the creation of the *Invest Northwest BC* website (www.investnorthwestbc.ca) as a part of the ongoing investment attraction regional branding strategy. Communities are featured as investment ready in the *Investment-Ready Regional Profile* and information on government funded programs that make British Columbia “one of the most attractive investment climates for business in North America” (Northern Development Initiative Trust, 2012). The web site creates the context of the competitive region, and is reflective of the locational competitive advantage theories purported by Porter (2000) for fostering clusters of sector development. General investment information for forestry and bioenergy, mining, oil and gas, power production and tourism Industrial and commercial property is highlighted within municipalities in attempt to attract new construction with municipal boundaries.

Community profiles highlight provincial and local assets such as infrastructure, environmental attractiveness, social programs and support services to foster business development. The *Invest Northwest BC* web site marks a more formalized intentional branding activity for the whole NW area. Previous attempts at regional collaboration

have been more contained within regional district boundaries (Regional District of Kitimat-Stikine Local Government Interview, 2010). Interestingly, the web site does not include information about First Nation territories, business opportunities or governments. The contextual information is limited to factor input conditions for investors such as natural resources, human resources and physical infrastructure, and does not provide a geo-political context for the region. The map of the region does not identify First Nation territories or jurisdictions, nor is information regarding First Nation development policies or consultation requirements. This type of economic development strategy presents a network of communities, presenting the region as a jurisdiction of certainty for investors, by focusing on the region's competitive advantages. It is a growth-based economic development strategy, aimed at capturing development within the participating communities to increase employment and the commercial property tax base.

8.6. Accessing regional development networks: First Nations

Alternative regional scale economic development strategies are also emerging, that adopt more inclusive principles of sustainable development for both municipalities and First Nation governments. The *Skeena-Nass Centre for Innovation in Resource Economics* (SNCIRE) focuses on principles of innovation for resource development rather than purely on investment attraction. SNCIRE is building regional development strategies based on the following principles:

- Wealth Comes From the Land: To maintain our quality of life, we must recognize that everything we have comes from our natural world.
- Economic and Social: Economic and social well-being are equally important and inextricably linked. Healthy communities rely on healthy economies, but a healthy economy doesn't always mean a healthy community.
- Innovation: We need to create our own opportunities and be prepared to take advantage of changing circumstances. Northwest

BC and its communities need new ideas and a new way of thinking to prosper, and succeed. What worked in the past will not necessarily work in the present or future.

- Optimization and Diversification: We need to extract the highest possible value from our natural resources and explore every possibility of production. The best solution is a diversity of solutions.
- Stable and Resilient: A long-term view and focus is critical to regional success. Despite the potential boom-times from big industrial projects, we can learn from the past and be aware that bust follows boom. We need to use short-term growth to fuel long-term stability and resilience.
- Regional Strength: Solutions need to work for all of our people and communities – from the larger cities to the smallest, most remote villages. The region's communities can accomplish and gain more collectively than individually.
- Local Knowledge is Critical: No one knows Northwest BC better than the people who live here. We are the ones who can ask the right questions, who need to work with experts and colleagues here and elsewhere, and who will lead the way to a resilient and prosperous Northwest. (Skeena-Nass Centre for Innovation in Resource Economics, 2012)

This type of network takes a more holistic approach to development, encompassing local development and capacity building in addition to investment attraction. This approach is more appealing for some First Nation governments. For example, the Nisga'a Nation participates in SNCIRE as a part of building connections to regional economic development strategies. As the Nisga'a Nation develops post treaty economic and resource development policies, partnerships are forming between neighbouring First Nation and local governments. However, the primary focus in planning the economic development of the four villages within the nation and providing opportunity for Nisga'a

living within the three urban associations in Terrace, Prince Rupert and Vancouver (Nisga'a Interview, 2011).

To support capacity building within First Nation governments, Nation-to-Nation networks are also developing to share information about economic development, and how to work with resource companies to create commercial ventures.

It is a different type of network than something like SNCIRE. I think it is because the understanding is different, it is because of friendships and handshakes and isn't based on these big thick legal documents, and it's based on an understanding. (Nisga'a Nation Interview, 2011)

The sharing of information between Nations includes information regarding negotiations with resource companies. The varying jurisdictional structures of the First Nation governments within the region mean that each Nation negotiates terms with companies within a different context. However, the Nations are connected within a network of social relationships that facilitates the flow of information from Nation-to-Nation, building capacity and expectations for community-corporate relations.

Partnerships between First Nations and local governments vary because of the disparity between First Nation communities and the capacity of local and First Nation governments (Nisga'a Interview, 2011). Currently, the Nisga'a government is not a formal part of the regional district system but they participate on the regional district board because they share the same area (Nisga'a Interview, 2011). Economically, First Nations and local governments are connected within the regional economy because most services are located within municipalities. The City of Terrace for example serves a regional economic hub for NW First Nations and funds received by First Nation members and governments circulate through the city. Formally, First Nation governments have not participated in regional development networks in the past. However, as First Nation governments gain greater control over resource development and have greater access to financial benefits from mineral development, governments are building capacity to participate in larger scale economic activities.

8.7. Conclusion

Differentiated access to CSR and regional development networks and accompanying flows of economic benefit affect how communities participate in resource development. The unique positioning of First Nation governments, between federal jurisdiction over Aboriginal development and provincial jurisdiction over natural resource policy, has opened up a space for First Nation governments to manoeuvre around jurisdictional boundaries faced by their municipal government counterparts, and access CSR networks.

There are three core challenges with relying on CSR programs to distribute benefit to local communities. First, resources companies operate using market rationality and distribute CSR benefits by identifying which communities present a strategic investment in securing a companies' social license to operate. This creates a competitive environment in which communities with political leverage over resource companies have the most success in securing benefits. This is exemplified in NW BC, where the political environment has provided First Nations with greater political power within rural regions to attract CSR benefits. Second, communities without political leverage are bound by jurisdictional restrictions which prevent them from accessing CSR benefits. In NW BC, municipalities must compete to attract secondary benefits resulting from resource development and appeal to senior levels of government for more access to resource revenues for the benefit of their communities. Third, it raises questions about the responsibility of senior levels of government to ensure the fair distribution of benefits from the development of public resources to all communities within rural regions. From a regional perspective, which community receives the benefits is not as important as the fact that there is some investment coming into the region that can be circulated throughout the economy. It raises the question as to who holds the responsibility to transfer benefits to local communities, the government or corporations and the impact this is having on regionalism in NW BC.

9. CONCLUSION

9.1. Research Question and findings

This research investigated how socio-spatial relations shape the distribution of economic benefits from resource development and how the distribution of benefits impact regionalism in a remote rural region. Using a multi-dimensional analysis of socio-spatial relations, as proposed by Jessop et al 2008, I analysed how governments, companies and First Nation and local governments use the principles of territory and scale to define places of benefit and access to networks that distribute economic benefits. The case study analysis of NW BC, presents a contemporary analysis of how resource extraction has had a social and political structuring effect on the socio-spatial relations of a rural region. As detailed by Innis (1930), Watkins (1963) and Drache (1995) the staples economy of Canada created political and economic structures to facilitate the extraction of natural resources. Settlements linked by communication and transportation technologies enabled the private sector to access resources in remote regions of the country. Senior levels of government and resource companies worked together to gain access to First Nation territories through forced displacement and treaty negotiations (Harris, 2002). This process defined territorial rights and jurisdictional boundaries, creating a multi-scalar jurisdictional structure over natural resources, property and territorial rights.

Today, these structures and associated patterning's of socio-spatial relations are being challenged by First Nation and local governments, as communities attempt to redefine jurisdictional reach and regain Aboriginal rights and title over traditional territories (Markey and Heisler, 2011; Woolford, 2005). The investigation of the mineral development industry in British Columbia provides insight into the political and economic influences that determine how economic benefits from resource development are distributed on a region scale. Senior level of governments are rolling-back policies that formerly secured economic support for communities and rolling-out new policies that

focus on economic growth strategies that support liberalization of property rights, market regulations and extends greater corporate authority over resource regions (Young & Mathews, 2007). Resource revenue sharing programs, CSR networks and government funding to develop regional strategies for investment attraction, are examples of how senior levels of government and industry are working together to build an attractive environment for investors. Not only does the long-term impact of neoliberal strategies on political and economic stability come under question (Harvey, 2006; Jessop, 2002; Peck & Tickell, 2002; Young, 2008), but also, the more immediate short-term implications for the sustainability of local communities.

In NW BC, territory and the multi-scalar jurisdictional hierarchy define how First Nations and local governments gain access to government controlled resource royalties, industry CSR and regional development networks. Senior levels of government use their control at the top of the jurisdictional hierarchy to control access to mineral development, to require companies negotiate with First Nation governments asserting territorial rights over Crown land. This form of neoliberal governance places corporations in the role of negotiator for access to territories, still under dispute between the federal and First Nation governments. For companies, this role becomes both a burden and an opportunity. The dispute between First Nation and senior levels of government over the title and jurisdiction of Crown land creates an atmosphere of jurisdictional uncertainty for investors, therefore, creating a risk for pursuing mineral extraction in British Columbia. On the one hand, the mineral development industry is calling for senior levels of government to resolve land claim disputes to create a more stable investment environment. On the other hand, however, the trend for greater recognition of Aboriginal title by the Supreme Court of Canada is creating concern that if First Nation title and jurisdictional authority over mineral development is successful, new restrictions on mineral development may be created throughout British Columbia.

Industry, in collaboration with senior levels of government, has therefore, created a new policy space by emphasising the jurisdictional sphere of the social license to operate. The need for companies to earn a social license in the places of operation, serves three purposes. First, it opens the door for companies to negotiate access to territories directly with First Nation governments, bypassing the formal land claim negotiations underway. This allows companies to continue pushing projects forward

within the uncertain jurisdictional context of British Columbia. Second, it enables the provincial government to continue to attract investment for mineral development, and by doing so secure continued resource revenue for the province. Third, in theory, it provides First Nation governments with greater control over activities occurring within their territories, and reduces dependencies on government funding by negotiating benefit agreements directly with companies.

The negotiation of the social license to operate integrates companies and communities into a larger international CSR network, connecting the global to the local. The mineral development industry uses this opportunity to demonstrate the role of mining in promoting sustainable development. The global scale of initiatives, such as the *Mining, Minerals and Sustainable Development* (MMSD), published by the International Institute for Environment and Development (IIED) in 2002, and the similar more recent initiatives undertaken by the International Council on Mining & Metals, link industry CSR programs to global and local sustainable development practices. These initiatives are creating a multi-scalar network of global and national mining associations outlining standards for how companies should engage with local communities. National and international companies are being encouraged to participate in these CSR programs by national industry associations, government policy and community expectations.

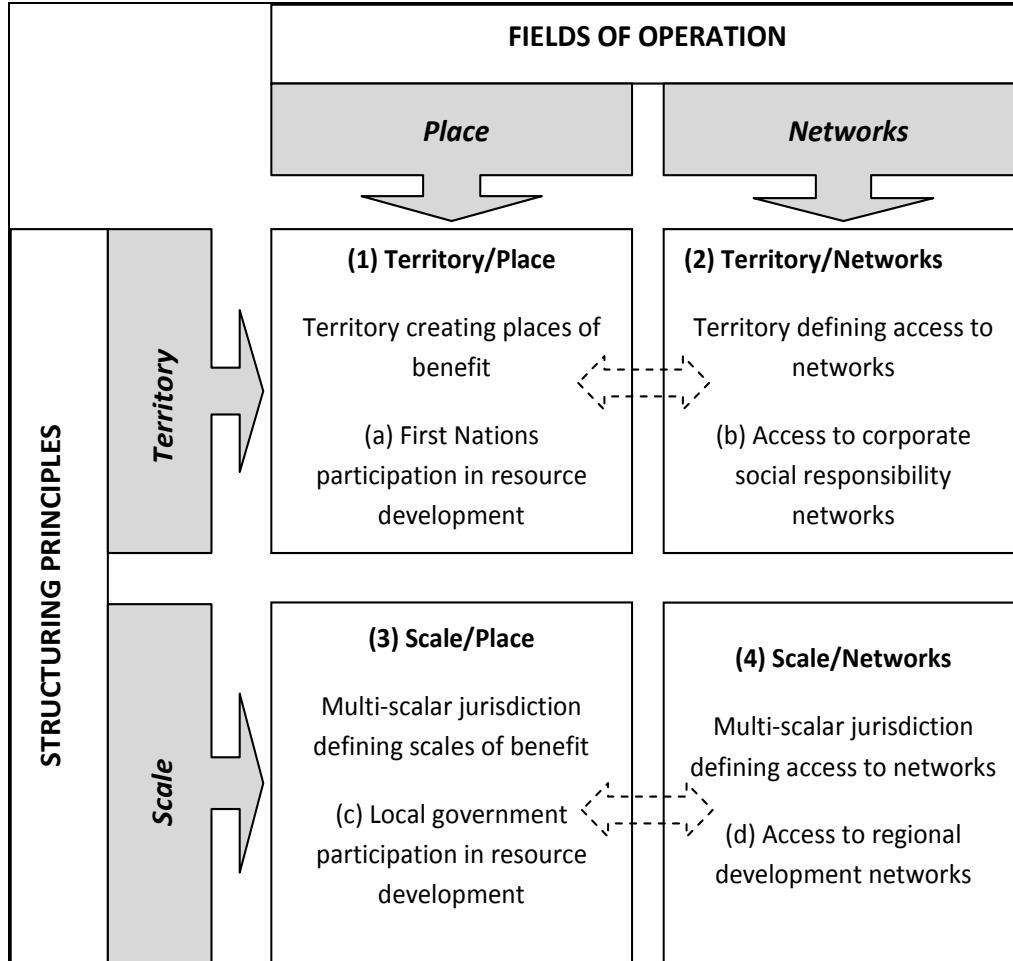
As highlighted in the NW BC case study, this practice is having a number of unintended impacts on both companies and communities in the region. First, it is creating a challenge for smaller companies that lack the internal capacity to assume the role of community negotiator and responsibility of providing support for community development. Second, industry associations are encouraging companies to identify “communities of interest” for their projects (Mining Association of Canada, 2004). In NW BC, this has translated into identifying which First Nation communities are claiming territoriality over the project area. Companies are focusing limited CSR resources specifically to these communities to gain access to the area, often ignoring other communities in the region where their activities may have a direct or indirect impact. Third, First Nation governments are overwhelmed by requests for access to their territories and the capacity to investigate and negotiate is limited. Forth, increased reliance on corporate funding for community development in rural regions is problematic because the companies are still making decisions using market rationality, distributing

benefits as a strategic investment to secure a social license to operate. This brings into question how responsible these practices are when little consideration is given to the long-term impact CSR programs may have on the region.

Whilst the benefits of this practice to First Nation communities, mineral development companies and senior levels of government have been significant, this research draws attention to the impact of this practice on the regional scale. The case study of NW BC, demonstrates how the provincial government does not require companies to allow access to CSR networks to all local communities within the region. Municipal and regional district governments do not have the same access to the benefits distributed through CSR networks. This is a process of separation and classification of communities by accepting or denying claims of territoriality and their position within the jurisdictional hierarchy. The result is a continued division between First Nation and local governments that challenges the creation of a fully collaborative regionalism.

In NW BC, this practice has resulted in the creation of two separated benefit networks operating within the region. These networks use socio-spatial structuring principles to define which communities can participate in each network (Figure 5). As described above, the CSR network created by the mineral development industry is reinforced by government policy, defining participation based on assertions of territoriality and political influence. In this model, First Nation governments access CSR networks using territorial land claims and assertions of Aboriginal title over Crown lands. Companies and government use territory to define 'places of benefit' within the region and these places receive corporate donations and government resource revenue sharing. The provincial government manipulates where the private sector applies their CSR programs by mandating consultation with specific communities within specific geographies. In turn, mineral development companies select which communities present the greatest political and economic strategic advantage for their operations.

Figure 5: Networks



The regional development network is created by the multi-scalar jurisdictional hierarchy that defines how local governments can participate in resource development. The jurisdictional separation of local government from resource extraction forces municipalities and regional districts into a competing for economic benefits generated by mineral development in the region. Emerging regional development networks incorporate concepts of inter-jurisdictional collaboration to create a regional competitive advantage to attract investment to the regional economy. For the most part, this network excludes First Nation governments based primarily on jurisdictional differentiations and First Nation governments focusing efforts of negotiating direct benefits from companies and governments.

The creation of these two separate networks has emerged from the evolving socio-spatial relations in the region:

1. First Nations hold constitutional rights that are still in the process of being fully defined and understood. This includes title over lands claimed by senior levels of government as Crown lands. The courts have determined the protection of these rights while territorial and jurisdictional negotiations continue to determine title over Crown land and who has the jurisdictional authority to determine the use of land and resources.
2. Formal jurisdictional structures define the roles, responsibilities and relations between senior levels of government and First Nation governments. First Nation band governments continue to exist under the jurisdictional authority of the federal government.
3. Unlike, band governments, traditional First Nation governments are under neither provincial nor federal jurisdiction and follow unique traditional systems of governance. This separates band governments from traditional governments that are operating outside of the formal jurisdictional hierarchy within the federal or provincial system.
4. Band and traditional First Nation governments are separated from other local governments that operate within the provincial jurisdictional hierarchy. Consequently, band and traditional First Nation governments are not a part of the regional district structure, although geographically, they exist within the same space.

5. Local governments do not hold territorial rights or title comparable to Aboriginal rights or title. Municipal and regional district property rights within their jurisdictional boundaries are normally limited to lands used to provide public services, such as community infrastructure or lands they have purchased for specific developments.

9.2. Theoretical Contributions

The long-term impact of CSR networks on the political, economic and social development of remote regions in Canada has yet to be fully evaluated. As resource companies distribute benefits using CSR networks, they become a part of a larger debate over jurisdictional control and territorial rights. The research revealed positive and negative outcomes of the implementation of CSR networks in remote rural regions (Table 21).

Table 21: Positive and Negative Outcomes of CSR Networks in Remote Rural Regions

Positive Outcomes	Negative Outcomes
<ul style="list-style-type: none"> • Corporations are re-examining their role as a part of a greater society • First Nations are gaining greater resources free from government restrictions • Increased flow of capital in the regional economy 	<ul style="list-style-type: none"> • Responsibility transferred to companies to distribute benefits to communities • Lack of transparency on use of funds • Continued separation of local governments and First Nations in regional development strategies • Local governments excluded from CSR strategies

As discussed in Chapter 5, a positive outcome of the creation of CSR networks is that the mineral development industry has responded to global demands that they take more responsibility for their operations and the economic, environmental and social impacts projects are having on adjacent communities (Yakovleva, 2005). This is a dramatically new approach in corporate-community relations in how companies perceive their responsibility to respecting Aboriginal rights in Canada (McAllister & Schneider, 1997). The privately negotiated benefit agreements with companies are giving First Nation

governments autonomy from federal funding, allowing for greater self-government (Jacobs, 2005). This is increasing the flow of capital into rural regions and has the potential to fill the void in funding for rural development left the withdrawal of government support.

The practice becomes problematic however, in how companies are implementing CSR programs. The selective distribution of benefits to one community over another creates dividing line between which communities can participate in the CSR network and which cannot, resulting in a redistribution of political and economic influence in the region. This raises important questions regarding how CSR practices affects all communities in the region. Dependence on corporate donations to fund infrastructure and services for rural communities becomes problematic when the interests of shareholders take precedence over the interests of the public (Albarenda et al, 2008; Idemundia, 2009; Kemp, 2009). CSR programs focus primarily on communities of interest rather than considering regional interconnectivity (Mining Association of Canada, 2004). Most companies first seek to extend CSR programs to those with the greatest potential to interrupt their projects and then secondly consider extending consideration to communities further afield. The challenge with this practice is that it ignores the dynamics existing between municipal service centres and remote First Nation and non-First Nation communities. Municipalities carry the burden of providing the social, economic and physical infrastructure for the whole population of the region regardless of jurisdictional structure (Federation Canadian Municipalities, 2006). Senior levels of government have centralised public services within municipalities with a regional scale mandate to serve more remote communities (Douglas, 2005). Currently, companies tend to ignore this central role played by municipalities, concentrating benefits on a local rather than a regional scale.

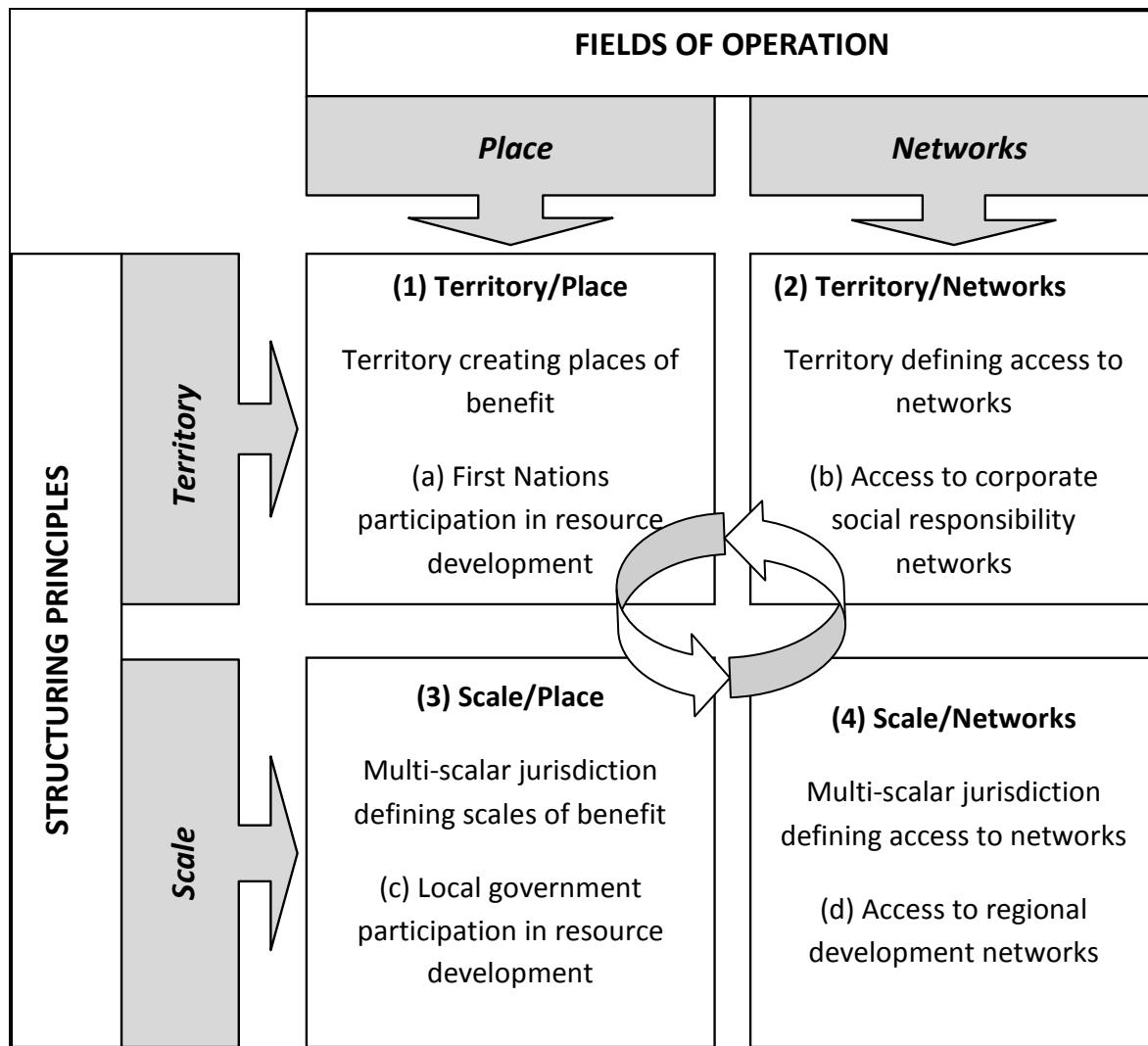
This strategic choice allows companies to focus resources on communities that are directly adjacent to the project or have claimed territoriality over the project area. This practice is short-sighted and ignores the unique dynamics of regionalism in remote rural areas. In large remote regions, conceptions of territory and scale are relative to the size of the space. In a region where people will drive three hours to access basic personal services, the perception of communities of interest must be expanded beyond the political, and considered more in the light of inter-community connectivity. CSR

programs need to become more acutely multi-scalar, by recognising how project activity ripples throughout the region creating different types of impact the type of role the community plays within the region.

Figure 6 proposes an integrative approach to connect how territory and scale are used to define access to networks. The central arrow represents a needed integration of First Nation and local government in regional development planning, by connecting CSR and regional development networks. First Nation governments have the recognised territorial rights to demand greater control and benefits from resource development occurring within remote rural regions. Legally, senior levels of government and companies are required to consult, accommodate and engage with First Nation band and traditional governments. As treaty negotiations continue, territorial rights are being institutionalized into territorial jurisdictions, within the multi-scalar jurisdictional hierarchy (as seen with the Nisga'a Nation treaty). As First Nation claims of territoriality become incorporated into territorial jurisdictions, the existing multi-scalar jurisdictional hierarchy will need to be adapted to recognise this new form of government.

Where do treaty governments fit within the multi-scalar jurisdictional hierarchy? Current government-government frameworks suggest First Nation governments exist alongside the provincial government, within the hierarchy above local governments. Therefore, having a greater scope of control and greater power to demand economic benefits generated from resource development. How will this impact the political and economic dynamics of remote rural regions, reshaping the historic socio-spatial relations between First Nation and local governments? These questions will need to be addressed as treaty negotiations continue across British Columbia, in the mean time, greater attention is needed on the socio-spatial separations of First Nation and local governments for the advancement of regionalism in remote rural regions.

Figure 6: Socio-spatial Dimensions: Toward Integration



In figure 6, I propose the integration of CSR and regional development networks, into a more centralized and equitable regional development framework to connect First Nations and local governments across territorial and jurisdiction boundaries, allowing for a more inclusive regional development strategy. Rather than using territorial and jurisdictional principles to divide communities into different types of places that have access to different networks, this framework proposes moving toward a greater integration of CSR and regional development networks to define the region as an interconnected place.

The current territorial model used by CSR networks to define inclusion, ignores the interdependency of communities in rural regions. If senior levels of government continue to encourage the expansion of CSR to support community development, greater demands must be placed on industry associations and companies to take responsibility for the multi-scalar impact of mineral development projects. I agree with the suggestion put forth by Shanks (2006) that there is a greater need for the public sector to become engaged with how economic benefits are being distributed by CSR networks. However, the introduction of a regulatory framework for how economic benefits are distributed through CSR networks to local communities, will need to address how governments are using CSR networks to aid in facilitating access to contested territories.

As discussed in this study, a debate of how the public sector becomes involved in CSR networks is important to clearly outline the role and responsibilities of government and corporations as it relates to rural development. Blowfield (2005) asks the question “are business and development happy bedfellows?” I would add to this inquiry, in the interests of whom are companies acting, when acting in the role of community developer; and in the interests of whom are senior levels of government acting, when encouraging private investment in community development? The current model of CSR networks being implemented in Canada has the appearance of an ‘unofficial’ public-private partnership between senior levels of government and companies to identify ‘communities of interest’ that can delay mineral development projects. This action uses principles of territorial and jurisdictional separation to divide and conquer, in terms of negotiating local support for projects, by perpetuating the segregation between First Nation and local governments.

This case study has revealed this occurrence in NW BC, from the perspective of representatives from the provincial government, mineral industry, First Nation and local government representatives. Each of these groups of actors is actively participating in the ongoing process of strategic planning and negotiation of the expansion of the mineral development in the region. Through this process, each of these groups of actors, is reexamining and redefining their roles and responsibilities in relation to resource development in the region. I argue this process of redefinition has a regional scale impact on the socio-spatial relations that define how economic benefits from resource

development are distributed. This builds on our understanding of how socio-spatial principles can be redefined and reshaped in different fields of operation to serve different agendas (Jessop et al, 2008). By using a multi-dimensional conceptualization of how socio-spatial principles interact within a defined space, we gain a more textured understanding of the complexities of spatial dynamics. Further study is needed to understand the nature of this impact on other facets of socio-spatial relations within the region, such as understanding the emergence of new places of benefit and investigating the socio-spatial relations between different actors in the region.

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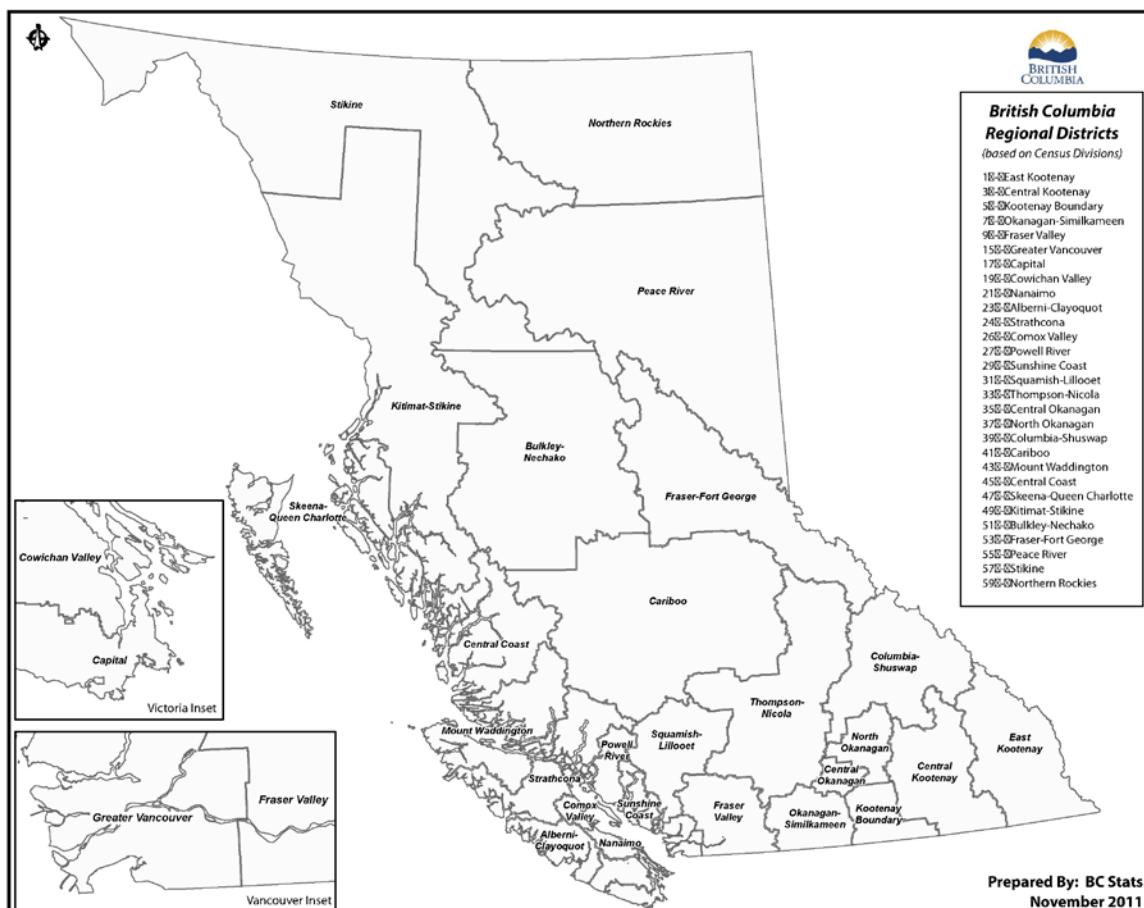
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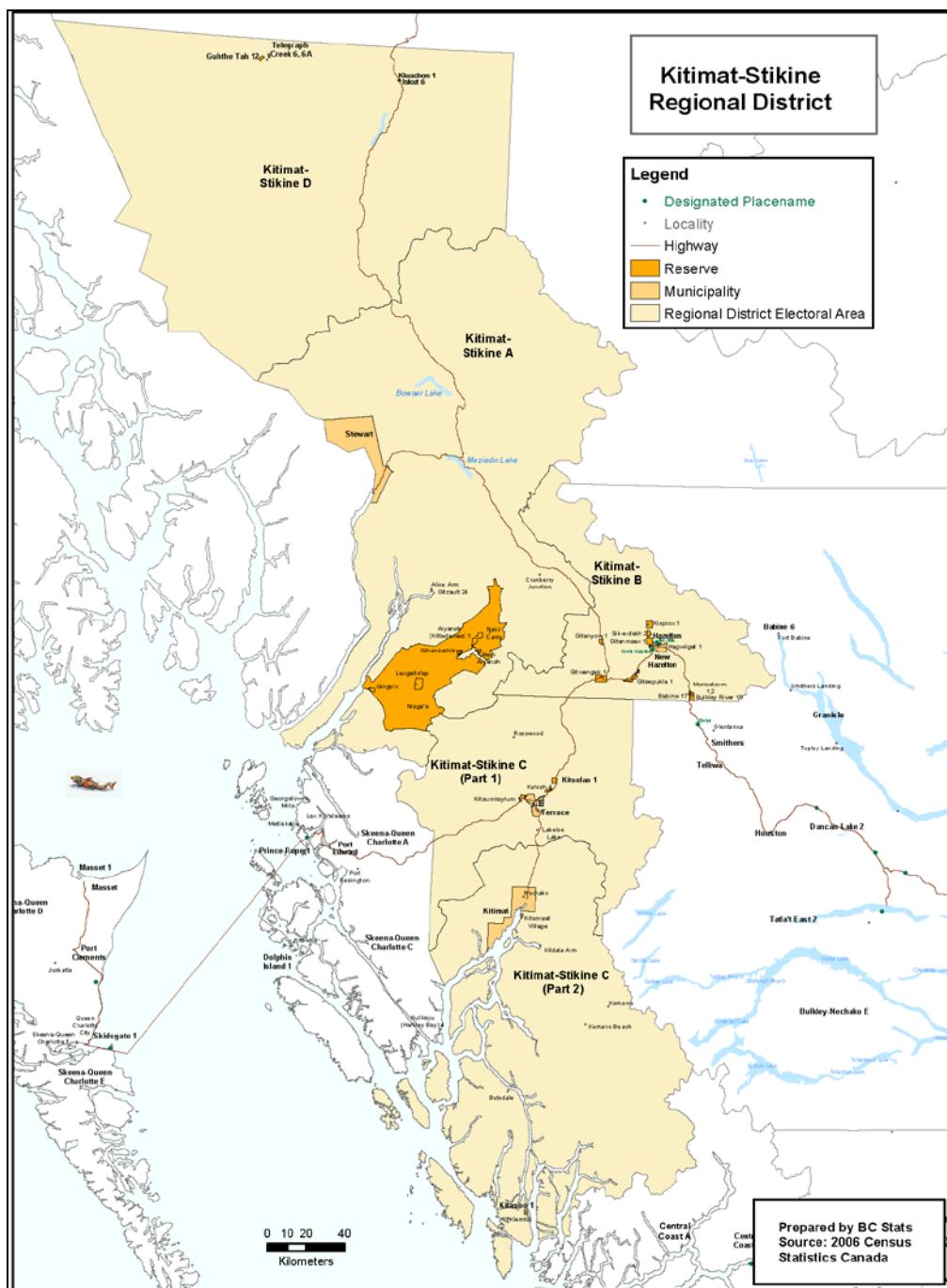
Appendices

Appendix A.

Regional District Maps and Population Statistics



Source:<http://www.bcstats.gov.bc.ca/statisticsbysubject/geography/referencemaps/RDs.aspx>



Source:<http://www.bcstats.gov.bc.ca/StatisticsBySubject/Geography/ReferenceMaps/RDs.aspx>

Local Governments in Regional District Kitimat-Stikine

Regional Districts (RD)	Land Area Km ²	Total Pop.	Pop. of Unincorp. Areas in RD	Municipalities in RD	Pop.	Indian Reserves within the area of the Regional District	Pop.	First Nation or Tribal Council Affiliation ¹
Kitimat-Stikine ²	104,461	37,361	8,807	Hazelton (Village)	70	Babine 17	75	Morricetown
				New Hazelton (District Municipality)	666	Bulkley River 19	38	Morricetown
				Kitimat (District Municipality)	8,335	Coryatsqua (Morricetown 2)	88	Morricetown
				Stewart (District Municipality)	494	Dease Lake 9	58	Tahltan
				Terrace (City)	11,486	Gitanmaax 1	627	GWLSS*
						Gitanyow 1	383	GWLSS*
						Gitsegukla	448	Gitsegukla
						Gitwangak	500	GWLSS*
						Guhthe Tah 12	157	Tahltan
						Hagwilget	238	Hagwilget Village
						Iskut 6	207	Iskut
						Kispiox 1	536	Kispiox
						Kitamaat 2	514	Haisala
						Kitasoo 1	322	Kitasoo
						Kitselas 1	220	Kitselas

¹ Aboriginal Affairs and Northern Development. 2012. First Nation Profiles. <http://pse5-esd5ainc-inac.gc.ca/FNP>Main/Index.aspx?lang=eng>

² Statistics Canada. 2012. Kitimat-Stikine, British Columbia (Code 5949) and British Columbia (Code 59) (table). Census Profile. 2011 Census. Statistics Canada Catalogue no. 98-316-XWE. Ottawa. Released February 8, 2012. <http://www12.statcan.ca/census-recensement/2011/dp-pd/prof/index.cfm?Lang=E> (accessed March 7, 2012).

* Gitksan-Wet-Suwet'en Local Services Society

						Kitsumkaylu m 1	302	Kitsumkalum
						Kluachon Lake 1	0	Iskut
						Kshish 4	0	Kitselas
						Kulspai 6	95	Kitselas
						Morictown 1	259	Morictown
						Sik-e-dkh 2	222	GWLSS*
						Tahltan 1	0	Tahltan
						Telegraph Creek	5	Tahltan
Total		37,361	8,807	5	21,051	14	5,294	9



Sources: <http://www.bcstats.gov.bc.ca/StatisticsBySubject/Geography/ReferenceMaps/RDs.aspx>

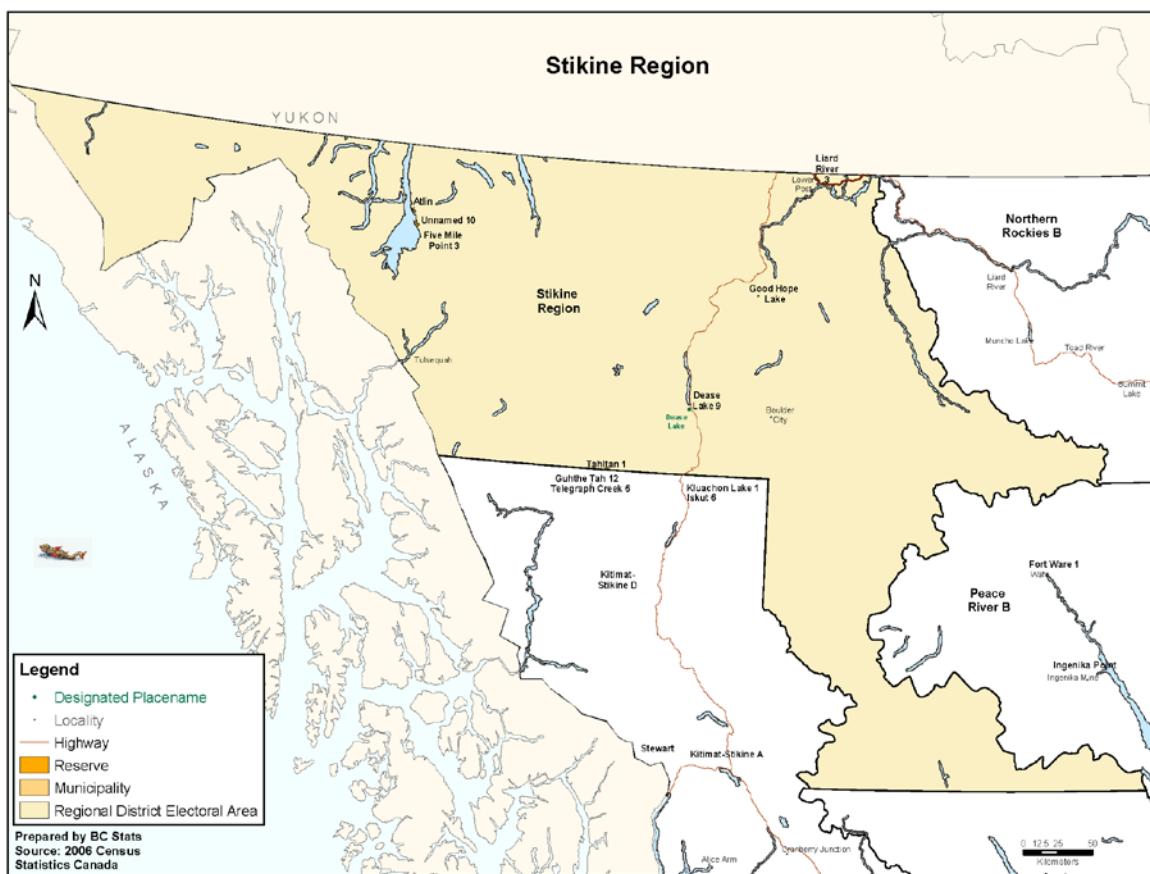
Local Governments in Regional District Bulkley-Nechako

Regional District (RD)	Land Area Km ²	Total Pop.	Pop. of Unincorp. Areas in RD	Municipalities in RD	Pop.	Indian Reserves within the area of the Regional District	Pop.	First Nation or Tribal Council Affiliation
Bulkley-Nechako ³	73,360	39,208	16,840	Burns Lake, Village	2,029	Babine 6	93	Lake Babine Nation
				Fort St. James, District municipality	1,691	Babine 25	81	Lake Babine Nation
				Fraser Lake, Village	1167	Babine Lake 21B	0	Lake Babine Nation
				Houston, District municipality	3,147	Binche 2 (Pinchie 2)	111	Tl'azt'en Nation & CSTC*
				Smithers, Town	5,404	Burns Lake 18	55	Burns Lake Nation & CSTC*
				Telkwa, Village	1,350	Cheslatta 1	84	Cheslatta Carrier Nation
				Vanderhoof, District municipality		Duncan Lake 2	10	Wet'suwet'en First Nation & CSTC*
				Granisle, Village	303	Dzitline Lee 9	15	Tl'azt'en Nation & CSTC*
						Francois Lake 7	10	Nee-Tah-Buhn Nation
						Jean Baptiste 28	5	Morricetown
						Laketown 3	10	Saik'uz First Nation & CSTC*
						Mission Lands 17	0	Nak'azdli Nation & CSTC*

³ Statistics Canada. 2012. Bulkley-Nechako, British Columbia (Code 5951) and British Columbia (Code 59) (table). Census Profile. 2011 Census. Statistics Canada Catalogue no. 98-316-XWE. Ottawa. Released February 8, 2012. <http://www12.statcan.ca/census-recensement/2011/dp-pd/prof/index.cfm?Lang=E> (accessed March 7, 2012)

					Nak'azdli (Necoslie 1)	534	Nak'azdi Nation & CSTC*
					Nautley (Fort Fraser) 1	201	Nadleh Whuten Nation & CSTC*
					Nedoats 11	0	Lake Babine Nation
					North Tacla Lake	183	Takla Lake First Nation CSTC*
					Omineca 1	10	Nee-Tahi-Buhn
					Palling 1	5	Wet'suwet'en First Nation & CSTC*
					Poison Creek 17A	0	Burns Lake Nation & CSTC*
					Seaspunkut 4	15	Nadleh Whuten Nation & CSTC*
					Skins Lake 16B	20	Skin Tyee
					Skins Lake 16A	0	Skin Tyee
					Sowchea 3	0	Nak'azdli Nation & CSTC*
					Stellaquo (Stella) 1	205	Stellat'en First Nation & CSTC*
					Stony Creek 1	332	Saik'uz First Nation & CSTC*
					Tacla Lake (Ferry Landing) 9	0	Takla Lake First Nation CSTC*
					Tadinlay 15	0	Lake Babine Nation
					Tatla't East 2	0	Skin Tyee
					Uncha Lake 13A	5	Nee-Tahi-Buhn & Skin Tyee

						Williams Prairie Meadow 1A	10	Nak'azdi Nation & CSTC*
						Woyenne 27	301	Lake Babine Nation
						Ye Koo Che 3	88	Yekooche
Total		39,208	16,840	8	15,091	32	2,38 3	14



Source: <http://www.bcstats.gov.bc.ca/StatisticsBySubject/Geography/ReferenceMaps/RDs.aspx>

Local Governments in Unincorporated Region of Stikine

Region	Land Area Km ²	Total Pop.	Pop. of Unincorp. Areas in RD	Municipalities in RD	Pop.	Indian Reserves within the area of the Regional District	Pop.	First Nation or Tribal Council Affiliation
Stikine Region ⁴	118,663	629	402			Five Mile Point 3	49	Taku River Tlingit
						Liard River 3	58	Liard First Nation & Kaska Tribal Council
						Lower Post, Indian settlement	105	
						Unnamed 10	15	Taku River Tlingit
Total	118,663	629	402	0	0	3	227	2

⁴ Statistics Canada. 2012. Stikine, British Columbia (Code 5957) and British Columbia (Code 59) (table). Census Profile. 2011 Census. Statistics Canada Catalogue no. 98-316-XWE. Ottawa. Released February 8, 2012.
<http://www12.statcan.ca/census-recensement/2011/dp-pd/prof/index.cfm?Lang=E>
 (accessed March 7, 2012)

Appendix B

Interview Questions

GROUP: MUNICIPAL GOVERNMENT/COMMUNITY DEVELOPMENT ORGANIZATIONS

INTRODUCTION

One of the key goals of my research is trying to understand the role that territorial jurisdiction plays in distributing benefit from resource activities to rural communities. So, by territorial jurisdiction I mean the power that is granted to different levels of government to control and benefit from different aspects of land and resources from within their boundaries.

Jurisdiction question – direct benefits

The first question is about municipal jurisdiction and resource activities occurring within the region.

1. What are the opportunities for local governments to gain direct benefits from resource activities occurring within and outside of their jurisdictional boundaries? (Examples of direct benefits – benefit agreements with the corporation, forms of taxation, access or development fees, direct transfers of royalties from the province to the municipality etc.)

Corporate responsibility and social license

Another goal of my research is to understand, how rural communities can benefit from resources activities outside of their territorial jurisdiction; or what I have called the indirect ways communities can benefit from resource extraction. One of the avenues I've identified for communities to indirectly gain benefit is through corporate social responsibility programs. I would like to ask you a few questions about corporate responsibility and the concept of a social license to operate.

2. What are your thoughts about this social contract? How do you define it? How does a company earn a social license? And, is there more than one social license that needs to be earned?

Indirect benefit and community readiness questions

Now speaking more specifically about the history of your local government and community; I want discuss any steps the community has taken or is taking to try to gain indirect benefits from activities occurring within the region, or how your community is making companies earn their social license to operate in the region.

3. How would you describe the relationship between the mining industry and the local government?

4. How would you describe the relationship between the mining industry and the rest of the community?

5. What steps has the municipality or community organizations taken to benefit from the mining industry? How successful do you feel it has been? Have you encountered any major barriers?

6. Does the municipality keep track of corporate financial donations, separated by company?

7. Has the municipality ever conducted a survey to try to track how much in corporate donations are received by community groups?

So just as a concluding questions

8. Do you think companies are doing a good job of earning their social license from local communities in northern BC?

9. Do you have any thoughts on what they should be doing differently?

10. Is there anything else you would like to add, do have any questions for me, any suggestions of other people in the community who may be interested in this topic?

GROUP: MINING INDUSTRY

INTRODUCTION

One of the goals of my project is to understand how the corporate responsibility practices of resource companies distribute benefits to rural communities. For example, I have been learning about the growing corporate responsibility principles developed by the international mining community. What I am trying to learn more about is what happens when these principles are applied in practice. What successes and challenges are the mining industry experiencing in implementing their CSR programs? How do these CSR programs impact rural development?

Social license

The first question is about the 'social license' often discussed in relation to mining and mineral exploration.

1. What are your thoughts about this social contract? How do you define it? How does a company earn a social license? And, is there more than one social license that needs to be earned?

Corporate responsibility

Companies must move the concept of earning a social license into practice, and we have seen that in recent years the increased adoption of corporate responsibility principles on a global and regional scale.

1. What type of corporate responsibility principles are being adopted in Canada?

2. What type of corporate responsibility practices are companies applying in northern BC? (Are there international, national or provincial industries standards that companies are expected to meet?)

Distributing benefit

One of things I'm investigating is that the growing use of CSR programs by resource companies appears to be playing a fundamental role in distributing benefit throughout a rural region between Aboriginal and non-Aboriginal communities.

3. How does a company decide where to direct their CSR program? (How does a company decide which communities to work with?)

4. What do think are the key success stories of corporate responsibility practices of the mining and mineral exploration community in northern BC?

5. What do think are the key challenges facing companies in implementing their CSR principles?

That's it for my questions do you have any questions for me? Is there anyone else you think I should talk to?

GROUP: FIRST NATIONS

INTRODUCTION

I've been thinking a lot about rural communities, both Aboriginal and non-Aboriginal, and the ideas of territory and jurisdiction. More specifically I've been thinking about territory and jurisdiction in the context of control over land and resources. I've been investigating the how rural communities can benefit from resource activities outside of the sphere of jurisdiction. For First Nations claiming rights to their traditional territories, their power to have control and benefit is being interpreted by the courts. And we have seen a succession of court cases that created an environment where First Nations have power to control activities (or at the very least seriously delay activities) and negotiate benefit from resource activities occurring within their territories.

I wanted to talk to you today to understand how the Nation engages in this process of negotiating with resource companies. More specifically I have been focusing on the mining industry but feel free to discuss other industries if you would like.

1. So to get things started, tell me about the general principles the Nation follows regarding requests for your support from companies that want to access resources on your territory?

2. What process do you make companies follow if they want to request your support for their project?

3. At what stage of the process do you begin to negotiate benefit agreements?

4. Does the Nation have specific criteria for the agreements?

5. Many mining companies and even the exploration companies are beginning to adopting corporate responsibility policies over the past 5 years, as part of their consultation process, have you noticed an improvement in how companies are approaching your office?

6. The mining industry talks a lot about earning a social license to operate, what do you think they need to do to earn this license?

GROUP: PROVINCIAL GOVERNMENT

INTRODUCTION

My name is Karen Heisler, I am a PhD candidate at SFU. We met at the NW Transmission Line public meeting in Smithers, BC in May. After our meeting, I continued my journey through northern BC conducting interviews with community representatives talking about issues of jurisdiction and community benefit from the development of the mining industry in region.

One of the goals of my project is to understand how the corporate responsibility practices of resource companies distribute benefits to rural communities. For example, I have been learning about the growing corporate responsibility principles developed by the international mining community. What I am trying to learn more about is what happens when these principles are applied in practice. What successes and challenges

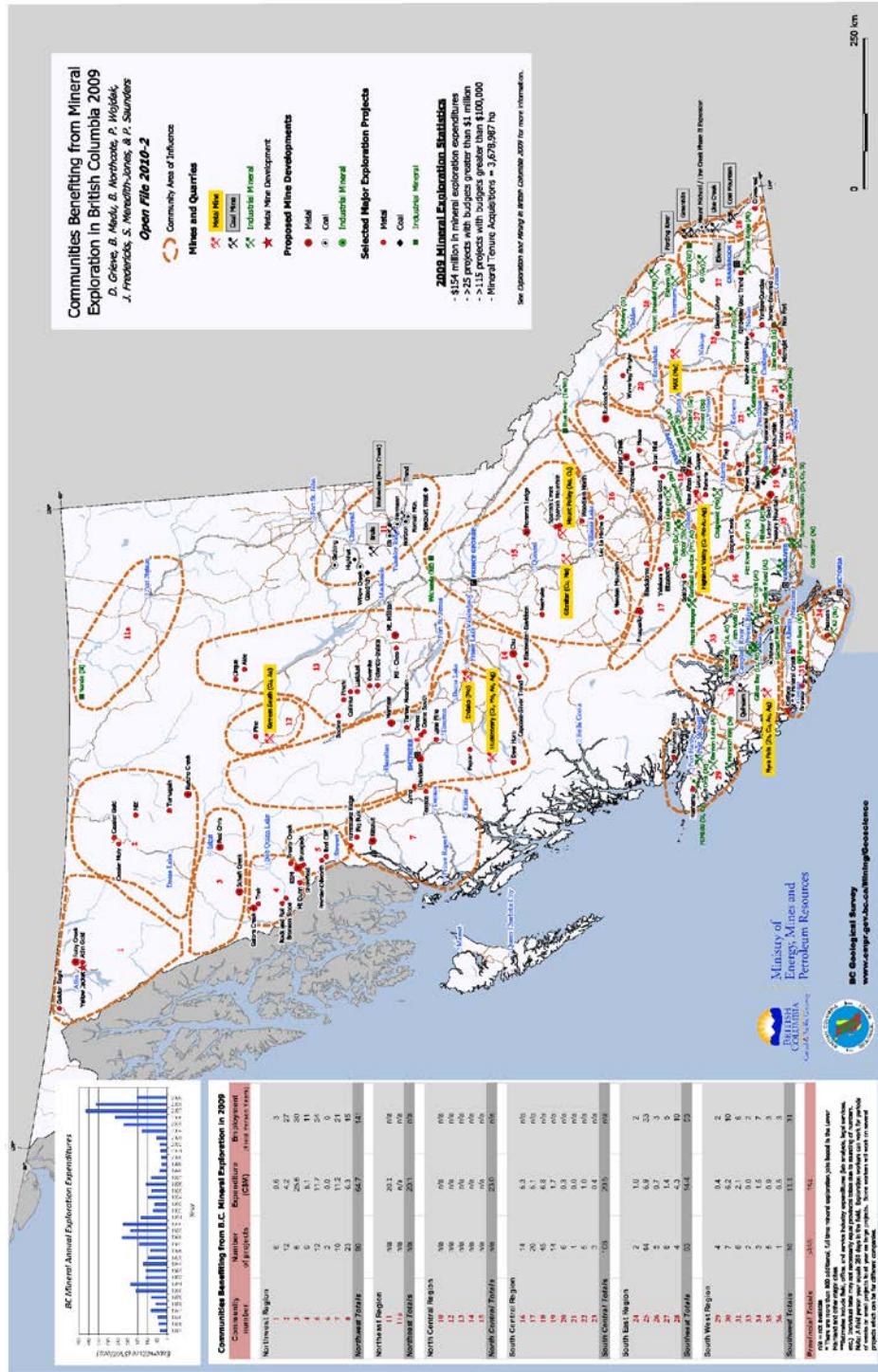
are the mining industry experiencing in implementing their CSR programs? How do these CSR programs impact rural development?

I will be in Victoria the week of June 21st and I was hoping I could arrange an interview with each of you to learn more about the role of community consultation (both First Nation and non-First Nation communities) in the EA process. This is a very important component to my research and I look forward to talking to you. Below are the topics I would like to discuss.

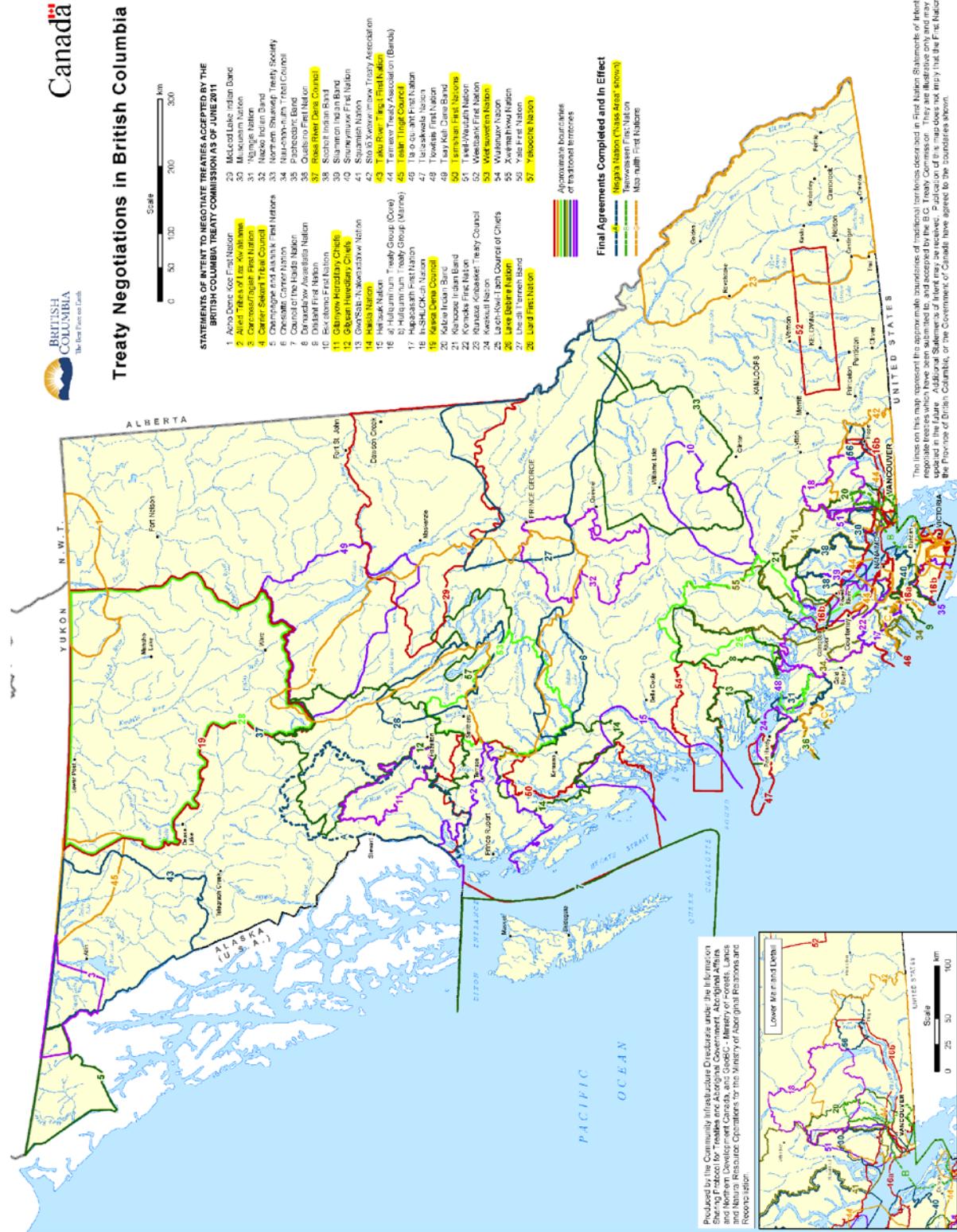
1. Community involvement in the process EA process
 - a. First Nation
 - b. Non-First Nations
2. Commitments to socio-economic impacts
 - a. Negotiating benefits for communities?
 - b. NW Transmission Line
3. Jurisdiction of local government
4. Mining – economic benefit to communities
5. Distribution of royalties directly to communities
6. Competing for benefits?

Appendix C

Communities Benefiting from Mineral Exploration in British Columbia



Appendix D



Appendix E

History of Settlement Communities NW BC

Name	Geographic Classification	Settlement History	First Incorporated
Burns Lake	Village	Burns Lake Post Office opened 1 April 1910. Townsite laid out by Provincial Government in 1917.	1923
Fort St. James	District municipality	Founded as a trading post by Simon Fraser of the North West Trading Company in August 1806	1952
Fraser Lake	Village	Created under instant town policy for a molybdenum mine	1966
Granisle	Village	Created under instant town policy for a copper mine	1971
Hazelton	Village	The Hudson's Bay Company post was established in 1872 at the head of navigation on the Skeena, at "The Forks" (the confluence of the Bulkley and Skeena rivers). The townsite was eventually removed further east, the former location then called Old Hazelton	1956
Houston	District municipality	Created under instant town policy for forestry	1969
Kitimat	District municipality	Kitamat Post Office opened 1 March 1900 located on IR 2; name changed to Kitamaat Mission Post Office 1 May 1908. On the same day (1 May 1908) Kitamaat Post Office was opened on Lot 73; spelling changed to Kitimat Post Office sometime in December 1908. Kitimat Post Office closed 15 October 1918. In the early 1950's the Aluminium Company of Canada (Alcan) built a smelter here.	1953
Masset	Village	Masset Post Office was opened 1 August 1909	1961
New Hazelton	District municipality	New Hazelton (Post Office) adopted 1 March 1938	1980
Port Clements	Village	Port Clements Post Office was opened 1 April 1914, named after Herbert Sylvester Clements (1865 - 1939), one-time MP for Comox-Atlin, who had been active in securing appropriations for Public Works in the Queen Charlotte Islands	1975
Port Edward	District municipality	Port Edward (Post Office and Village) adopted 3 July 1946	1966
Prince Rupert	City	Named in 1906 by the officers of the Grand Trunk Pacific Railway on the establishment of the western terminus of the Company's transcontinental line, after Prince Rupert, the first governor of the Hudson's Bay Company.	1910

Smithers	Town	Smithers Post Office was opened 30 October 1913, named after A.W. Smithers, chairman of Grand Trunk Pacific Railway	1921
Stewart	District municipality	The Stewart brothers, Robert and John, from Victoria, held an interest in many of the mines in this area; they established the Stewart Land Co. in 1906 and laid out the townsite later	1930
Telkwa	Village	Telkwa Post Office was opened 1 August 1910	1952
Terrace	City	Unnamed on Fr. Morice's 1907 map; labelled "Littleton" on 1912 Map of Northern Interior of British Columbia, and on BC map 1A, 1912. Terrace Post Office was opened 1 January 1912.	1927
Vanderhoof	District municipality	Vanderhoof Post Office was opened 1 December 1914, named in association with the railway station, in turn so-named c1912-13 by Grand Trunk Pacific Railroad Company	1926

Source: (Government of British Columbia, 2011)