

## Private companies and indigenous people can work together for development

Is it possible for private companies to work cooperatively with indigenous people and to gain in the process? Yes. Consider these examples.

### **Pilbara region, Australia**

Hamersley Iron Pty Ltd has been exporting ore from the natural resource-rich Pilbara region since the mid-1960s. While Aboriginal populations remained concentrated in welfare-dependent towns, the company's need for skilled labour led to a massive influx into the region of non-indigenous people. The Aboriginal groups began to oppose the development of newer mines and demanded discussions on the company's activities on traditional lands. In 1992 Hamersley established the Aboriginal Training and Liaison Unit, to provide job training, increase business development in the area and improve infrastructure and living conditions while preserving the aboriginal heritage and culture. By 1997 the Gumala Aboriginal Corporation had signed joint venture agreements with Hamersley to develop newer mines. Aboriginal men

would receive training in operating machinery, and services would be contracted to the local communities. Hamersley would contribute more than A\$60 million for these purposes.

### **Raglan project, Canada**

After a 1975 agreement to settle land ownership issues in northern Quebec between indigenous groups and the provincial and federal governments, the Inuit received financial compensation to set up the Makivik Corporation as a heritage fund. In 1993 Makivik signed a Memorandum of Understanding with Falconbridge Ltd (later the Raglan Agreement) to guarantee benefits from planned mining projects in the region, including priority employment and contracts for the Inuit, profit sharing and environmental monitoring. Falconbridge will pay an estimated C\$70 million to an Inuit trust fund over 18 years. Archaeological sites were also identified and marked as off limits to mining, and the rights of Inuit employees to hunt outside the Raglan site were assured.

### **Red Dog Mine, United States**

In the 1970s the Inupiat people of Northwest Alaska successfully blocked Cominco Inc.'s interest in exploiting zinc-lead deposits at the Red Dog site. After several years of negotiations the Northwest Alaska Native Association (NANA) and Cominco signed an agreement in 1982 to allow mining to go forward. Cominco agreed to compensate the Inupiat through royalties, to include NANA representatives in an advisory committee; to employ indigenous people and to protect the environment. In lieu of taxes Red Dog would pay \$70 million into the Northwest Arctic Borough over 24 years. By 1998 Cominco had invested \$8.8 million in technical training almost entirely for NANA shareholders employed in the project. NANA has also monitored the impact on subsistence activities and forced efforts to reduce effluent flows into streams. Cominco has maintained a flexible work schedule that allows Inupiat employees to continue their traditional way of life.