

**URANIUM MINING AND INDIGENOUS COMMUNITIES:
CROSS-CULTURAL DISPUTE RESOLUTION IN AUSTRALIA AND CANADA**

Saleem H. Ali

Doctoral Candidate and Voorhees Scholar
Environmental Policy Group, 7-337
Department of Urban Studies and Planning
Massachusetts Institute of Technology
Cambridge MA 02139, USA.
Ph: 617-258-0751, Fx: 617-253-7402
Email: saleem@mit.edu

*Paper submitted for the WM99 Conference, Tuscon, Arizona, March, 1999
Session 66: Ethics and Equity in Waste Management*

ABSTRACT

Strong normative positions held by stakeholders in uranium mining ventures may lead to conflicts between mining interests and the communities surrounding a mine site. Uranium mines are generally located in remote parts of the world where the surrounding settlements are often impoverished and may also belong to tribal societies with a non-capitalistic value system. Disputes of this nature are often exacerbated by cultural differences and conflicting perceptions of environmental harm, and the compensation regimes stipulated by national laws. Canada and Australia collectively account for more than half of the world's uranium mining and are also home to several Native groups. Two case studies of uranium-mining disputes in both these countries were studied. The anatomy of such disputes in terms of distributive criteria, such as monetary compensation, employment incentives, environmental mitigation versus value-based measures of territorial sovereignty, government intervention and cultural significance were examined. The different ways in which power is shared between the nuclear industry and the communities is pivotal to achieving an amicable resolution to the dispute that is also socially responsible. The research reveals that intransigence and non-engagement, even when given legal protection, do not provide optimal or efficient scenarios for any of the stakeholders in such contexts.

This brief paper is based on detailed teaching cases written for Harvard Business School by the author. The research was supported by a Baker Foundation Research Fellowship at Harvard Business School and through the Environmental Policy Group at the Massachusetts Institute of Technology. I would like to acknowledge the guidance and support of Professor Lawrence Susskind, Professor James Sebenius and Ms. Hannah Riley. I would also like to express my profound gratitude to both the mining companies and their staff for allowing me to study their activities and also to the Aboriginal communities and NGOs on both sides of the Pacific for their cooperation.

INTRODUCTION

Modern society relies fundamentally on mining as a primary source of raw material and fuel for production at all levels of industry. Mining companies are thus powerful entities that can wield considerable influence with government and the population at large. They also have the resources to bring a sudden surge of development in otherwise remote and impoverished parts of the world which are often inhabited by indigenous tribal populations. These indigenous groups have limited resources and in most cases feel relatively powerless in negotiating with a large corporate entity. There is frequently an ambivalence regarding the prospect of development on their land. Economic incentives may attract one segment of the population while traditional leaders may oppose the project on grounds of ecological disturbance or cultural and spiritual association with the land. Mining companies often encounter hostility from the community that can be a severe hindrance to their projects. The conflicts that arise in such situations are often caused by a series of cross-cultural misunderstandings. This paper explores some of the causes for these conflicts and how they can be resolved by focusing on two cases of uranium mining negotiations in Canada and Australia.

THE CHOICE OF CASES:

There are several similarities between Canada and Australia that help in exemplifying similar phenomena -- large mining economies, indigenous populations with hunter and gatherer lifestyles and generally similar legal traditions [1]. The aim of my study is not to focus on commonality or differences in particular between the two regions but rather to use both case studies collectively to explore the dynamics of negotiations between communities and mining companies in the developed world. Mines have existed in both regions for the past several years. However, my study is focusing on specific expansion projects in both regions which have been approved in 1997.

Despite the commonality in legal traditions, differences in corporate culture and subsequent divergence in negotiation strategies presented an interesting measure of comparison. Surprisingly, both strategies led to ostensibly similar results insofar that both mining projects received approval and are being implemented. However, a more careful analysis of the cases revealed some important differences in the long-term relationship between the companies and the communities which deserve attention for long-term viability of such endeavors. The cases also presented some important issues vis-à-vis ethical business practices and the greater social responsibility of a corporation that may have monopoly over employment opportunities in a remote region.

General corporate profiles for the two companies are provided in Table 1 followed by more detailed case profiles of the projects and the regional setting.

Table 1: Case Profiles	Case 1 (Australia)	Case 2 (Canada)
Company Name	WMC Ltd.	Cameco Corporation
Headquarters	Melbourne, Australia	Saskatoon, Canada
Annual Revenues in 1997 (as % of revenue)	A\$2.2 billion	C\$642 million
Pre-tax earnings in 1997 (as % of revenue)	A\$ 300 million (13.6%)	C\$150 million (21.8%)
Product Operations (revenue %)	nickel (17%), gold (8%), alumina and aluminum (49%), copper and uranium (16%), petroleum and fertilizer (8%)	uranium (95%), gold (5%)

Case 1: WMC Ltd.: Olympic Dam Mine in South Australia

In 1961, a team of geologists from the Western Mining Corporation began to explore the vast expanse of the South Australian desert in search of minerals. An exploration license was granted by the South Australian government in May, 1975 and by July drilling had begun. In 1979, WMC joined forces with the British Petroleum Group (BP) to sink an exploration shaft to a depth of 500m, near the pastoral station of Roxby Downs. The ownership at that time was divided between WMC's Roxby Mining Corporation (51%), BP Australia Ltd. (36.5%) and BP Petroleum Development Company UK (12.5%).

The Southern Lands Council, an Indigenous Non-governmental Organization (INGO) which believed the proposed mining land to be part of the sleepy lizard dreamtime epic, called for a moratorium on further exploration. On the other hand there were many Aboriginal groups that felt mining would bring much-needed income to their impoverished communities through compensation agreements. The Kokotha Peoples Committee and the Arbanna Peoples Committee were examples of the former, whereas The Andamooka Land Council and the Dieri Mitha Council were examples of the latter.

The Aborigines of Australia have the longest continuous history of any civilization in the world. Archeological evidence for habitation on Australia exists as far back as 40,000 years ago. It has been estimated that at the time of the first British settlement by Captain Arthur Phillip in 1788, the Aboriginal population of Australia was around 300,000. They spoke over 250 different languages (some as different from each other as Chinese and English) and lived hunter-gatherer lifestyles all across the continent. Within 100 years their population declined to about 160,000 because of lack of resistance to the diseases introduced by Europeans, disruption of the Aboriginal way of life, and, in the early period, government indifference to the Aborigines.

By the early 1950s their population began to inch back to its pre-European level (about 200,000) and the government began to review and correct past treatment. This

feeling of atonement was echoed at the international level. In 1992 several international environmental and human rights groups gathered in Salzburg, Austria to discuss the effects of the uranium industry on indigenous peoples from around the world. The gathering was organized by several NGOs and termed the "World Uranium Hearings." The impact of uranium mining on Aborigines in Australia, and specifically around Olympic Dam, was given particular attention [2].

In 1993, WMC acquired full ownership of Olympic Dam and soon thereafter announced plans for an expansion of the existing mine. The Labor government had gained power in the federal legislature and there was a general movement to contain the expansion of any further mines. Prime Minister Bob Hawke was able to maintain a tenuous compromise between mining interests and Aboriginal groups during the early nineties [3]. In the 1996 election the political tide took a radically conservative turn and John Howard rose to the rank of Prime Minister. Howard pledged to improve the economic plight of Australia by renewing investment in mining development.

My primary interest in this case begins with the expansion project at Olympic Dam and the negotiations which followed. Encouraged by the Howard government's new policy on mining, in July, 1996, the WMC board commissioned a detailed design study of an expansion to 200,000 tons/annum (t/a) of copper and uranium and the conceptual design for further expansion to 350,000 t/a. In October, 1996, an agreement was reached between the WMC and the State government on the expansion to 350,000 t/a copper and associated products and incorporated into the Roxby Downs Indenture Ratification (Amendment) Act of 1996, which was passed by the State Parliament in December, 1996. At this time, the negotiations were entirely bilateral [4].

Once the environmental impact assessment was commissioned, that is when the consultation process began formally. Public announcements were made regarding the intention to expand mining operations. Anthropologists were hired by the company to identify appropriate tribes with whom consultation should take place. Meanwhile, the Australian parliament in Canberra published a report in May, 1997 on "Uranium Mining and Milling in Australia" and exonerated WMC of any serious environmental damage in its past operations. The concerns of the environmental groups were raised but summarily dismissed as not being valid.

Around the same time, Australia was embroiled in a major legal debate over the rights of aborigines to claim title to land after a revolutionary supreme court decision. The case in point is *Mabo v. Queensland* (175CLR 1, 1992) in which the High Court of Australia for the first time recognized the prior land rights of Australian Aboriginal people, countering the earlier decision in *Milliripum v. Nabalco* (17 FLR 1, 1971) [5]. Soon after this decision, the Native Title Act was passed in 1993 to give a systematic process to land title claims. The act provides a regime for determining whether native title exists over a certain area of land or water. The act is to be administered by the National Native Title Tribunal, essentially a negotiating and mediating body whose decisions are not binding [6]. Provision is made in the act for contested claims to be determined by the federal court.

Subsequent cases after Mabo have not favored Aboriginal groups, since the Mabo decision was based on prior property claims on the Torres Straits Islands, whose inhabitants have had a regime of property rights unlike the oral tradition of property of

mainland aborigines [7]. However, one important case in New South Wales reversed the tide again and caused much consternation to the Howard government. In December, 1996, the High Court of Australia ruled (this time on a mainland case) that native title is not necessarily extinguished by a pastoral lease. After this decision, commonly referred to as The Wik verdict, Mr. Howard's government launched a vociferous campaign to limit Aboriginal people from claiming land tenure [8].

Meanwhile, the Aboriginal opposition movement around the mine gained momentum. On July 12, 1995, the tiny town of Marree, near the borefields for Olympic Dam was the site of a serious altercation between some local Arabanna men and members of the Dieri community. The exact turn of events remains unclear but the result was that one person in the Dieri community got killed. Several people were arrested on both sides and subsequently given protracted jail sentences. The Dieri men had come in utility vehicles and spent several hundred dollars on alcohol at the local hotel -- luxuries which the Arabanna claimed could not be independently afforded. While there was no tangible basis for casting aspersions on WMC as the source of the funds, it was true that the same day Dr. Steven Davis had met with the Dieri to perform certain traditional ceremonies around the borefield area. These claims were further publicized and brought to national attention by environmental groups and were the subject of a TV documentary.

The principle environmental groups that were opposing the Olympic Dam expansion, Friends of the Earth, The Australian Conservation Foundation and The Conservation Council of South Australia also increased their lobbying efforts against the Howard government's Ten Point Plan to reform land tenure. Many envisaged this as a means of halting rapid industrial projects and protecting sensitive ecosystems. Their vehement opposition to mining could also be voiced on the platform of Aboriginal land tenure since mining companies were lobbying for limited Aboriginal claims and increased discretion. The Aboriginal groups began to grope for alliances as well. Protection of their sacred and significant sites was of immense concern to them but their opposition to mining was certainly not as unequivocal as the Environmental Non-governmental Organizations (ENGOS). As mentioned earlier, some of the Aboriginal groups decided to ally with the mining company to try and get immediate compensation, while others felt that in the long-run their interest were more adequately met by alliances with the environmental groups. The dilemma which they faced was not too different from their distant peers several thousand miles away across the Pacific.

Case 2: Cameco Corporation: Uranium Mining in Saskatchewan, Canada

Saskatchewan has been called "The Saudi Arabia of the Uranium Industry." Collectively, the province contains the largest known reserves of uranium in the world, with over five active mines within an area of about 200,000 square kilometers. Chipewyan Inuit, Dene and Cree Nations comprise 80% of the 30,000 inhabitants in this region, mostly centered around the shores of the numerous lakes that punctuate the landscape.

These settlements were, however, artificially created by the European colonists in the eighteenth century, since the traditional societies here were hunter-gatherers that had territories but no permanent settlements. The European settlers often mistook this

itinerant lifestyle as a mark of poverty, whereas the communities were quite contented. According to a Native individual “we didn’t know that we were poor until we found a Canadian government official on our door with food supplies saying: you need help.”[9]. This cultural shift led to high unemployment and other social concerns in these communities. For example the unemployment rate for Aboriginal communities in Saskatchewan is about 65%, whereas for non-Aboriginal communities it is around 30%.

Interactions between the European settler community and the Native inhabitants of Canada have predominantly been governed by a series of treaties (the area comprising British Columbia is a notable exception). After the Treaty of Paris ended the Seven Years War, a Royal Proclamation was issued on October 7, 1763, which is considered the “Magna Carta of Indian Rights.” Unfortunately, the subsequent treaties dealing with specifics of land transfer did not live up to the aspirations of this document.

Decades after the original treaties were signed, the government realized that the dealings with the Indians had been grossly unfair, and several statutes were passed as recompense. The impact of development projects was also reexamined. For example in response to concerns about the impact of the Mackenzie Valley Pipeline project on indigenous communities, the government agreed to a 10-year moratorium on the project.

By 1995, all the tribal bands in Saskatchewan had settled their land claims with the government and received compensation. Some of these claims had covered land on mining leases as well. The policy of land entitlements was premised on a “willing buyer /willing seller” principle, and not based on traditional land associations. Some bands did indeed want to purchase lands which were under mineral exploration. However, in most of these cases the price being demanded was too high.

In the early eighties Eldorado Nuclear (now part of Cameco Corporation) entered into an agreement with the provincial government of Saskatchewan to begin mining activities in the vicinity of Wollaston Lake. The Saskatchewan Mineral Development Corporation was thus formed to organize the mining activities. The native communities of the region felt that their subsistence lifestyles of hunting and fishing would be threatened by water pollution from the mining development. Their opposition was partly due to the past experience of affected communities in Uranium City (one of the first uranium mining regions in Canada).

In the late nineteen eighties, the Saskatchewan government deregulated the uranium mining industry and largely divested its own interests to form a publicly traded company named Cameco. This would soon become the largest uranium mining company in the world with control over two thirds of the world’s largest, high grade uranium mines at Key Lake and Rabbit Lake in Saskatchewan. The “best” was yet to come. The McArthur River ore body was explored extensively in the early nineties after a governmental environmental review for underground exploration [10]. The highest grade deposits (as much as 50% of U_3O_8) were discovered 550 meters beneath the surface soon thereafter.

The Environmental Impact Statement for the project was prepared in May, 1995 and circulated for public comment. Cameco and its partners, Uranerz Exploration and Mining and Cogema Resources Inc. proposed to mine the orebody underground; crush and grind the ore and render it into a slurry suitable for pumping; thicken the slurry into a paste, and transport it 80km southwest to the Key Lake operation for milling. The wastes

would be disposed at the existing Key Lake Deilman tailings management facility. The environmental impact of this project would thus be spread across two sites and raised many concerns for environmental groups, most of whom were based in southern Saskatchewan.

The development dichotomy is quite stark between Northern and Southern Saskatchewan. Unlike common development discourse, "The North" in this case is the impoverished and underdeveloped region, while "The South" is considered the more affluent and developed part of the province. More than two thirds of the residents of Northern Saskatchewan claim Aboriginal ancestry. In Canada, there are two different categories of Aboriginal lineage: a) registered Indians and Inuits b) and Metis (or mixed blooded Aboriginal). There are different treaty obligations for the two groups, though they often present a united front when dealing with issues of development in the North. Nevertheless, surveys conducted by the company had shown that a majority of the people in the North supported uranium mining [11].

On account of strong pressure from lobbying groups in Canada and abroad, the government of Canada and the Provincial government of Saskatchewan decided to form a panel to review the various uranium mining projects in August, 1991. The panel was entrusted with the duty of looking objectively at the environmental and social impact of the mining projects which were being proposed and present its recommendations to the government. The panel comprised five members who were chosen on account of their scientific expertise and their experience in working with Northern communities.

The Chairperson of the panel was Professor Donald Lee of the Chemistry department at the University of Regina. Other panel members were: Dr. Richard Neal of the Biology department at the University of Saskatchewan, Dr. James Archibald of the Mining Engineering department at Queens University, Dr. Annalee Yassi of the School of Public Health at the University of Manitoba and Vice Chief John Dantouze of the Prince Albert Grand Council of Saskatchewan.

The mining companies were not directly involved with the deliberations of the panel. However, the panel did confer with the companies to procure technical information and also to ascertain the terms of employment assurance and other social impact indicators. The panel also held sessions to get input from the public.

Just before the panel was to issue its report in 1997, Chief Dantouze and the industrial hygienist, Dr. Annalee Yassi resigned. The environmental groups considered this a sign of victory and a reflection of the dissatisfaction with the environmental situation. However, the reason for the Vice Chief's resignation, as reflected in the statement of the Chief and correspondence between him and Dr. Yassi reveals that the main reason for their dissatisfaction with the panel was the issue of revenue-sharing. [12] Jamie McIntyre, the Manager for Northern Relations at Cameco had his work cut out for him in trying to overt a serious lack of trust and a breakdown in communication. He had lived in Northern Saskatchewan for many years and was generally well-liked by most of the communities there. However, he knew that the problems in the panel's ranks were the government's business and by staying away from the conflict between the government and the panel members, the company could maintain a certain degree of objectivity which would be available in the future.

The environmental groups in this case were mostly regional organizations such as the Inter-Church Uranium Committee and the Saskatchewan Environment Center. Greenpeace had been involved in lobbying efforts in the eighties but had since withdrawn for financial reasons. The activist movement had been given considerable publicity in the late eighties with the publication of a book on the Wollaston Lake Community by Miles Goldstick [13]. The main thrust of this book had been the Aboriginal resistance to mining as it was subtitled: “people resisting genocide.” Here too Aboriginal rights issues were presented in complete congruence with environmental ideals. The tenacity of this alliance was largely unspoken and a challenge to research inquiry.

CONCEPTUAL COMPARISON

First of all, it may be useful to try and map out the various stakeholders in the conflict and their domains of interest and power. Figure 1 shows the various stakeholders in the conflict as Venn diagrams. The key to the various loci in the diagram are shown in Table 2. The relative magnitudes of power which I have attributed to each stakeholder ensue from a qualitative evaluation of the economic resources of each entity and also their potential contributions to the decision-making process.

Figure 1: Venn diagram showing loci of interest for various players in both disputes. Size of ellipses indicates the relative bargaining power of each group

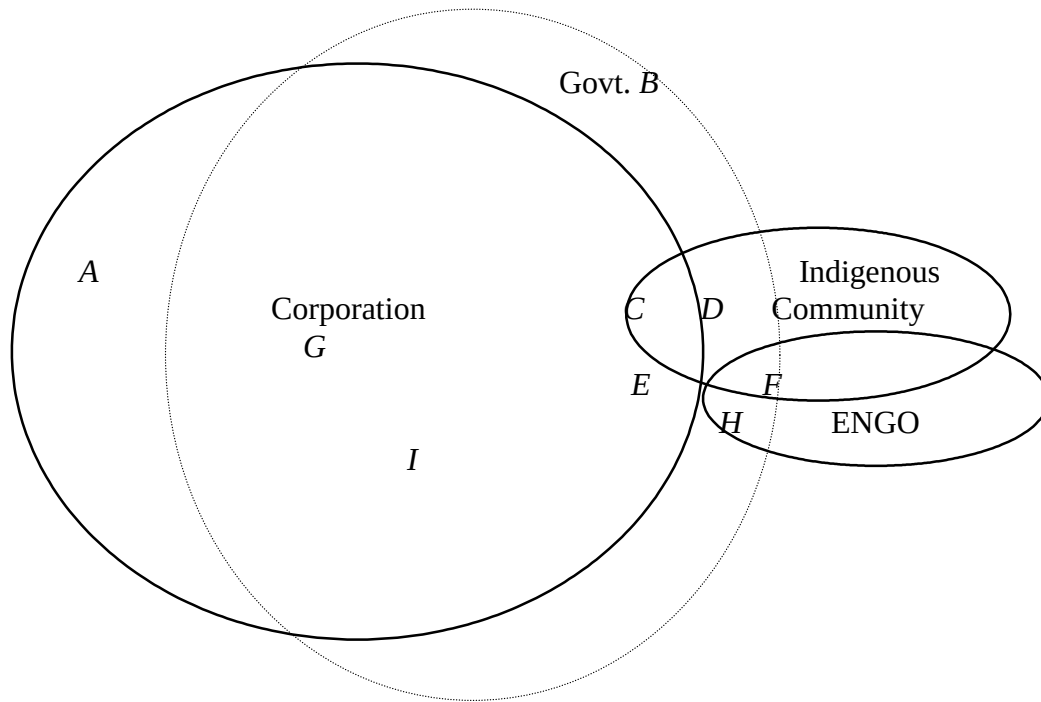


Table 2: Explication of loci in Venn diagrams

Venn diagram regions	Explanation within the context of this conflict and the country in which it is being played.
A	Corporate interest only: Maximizing profits from operations beyond this country
B	Government interest only: policies of importance to constituencies outside this dispute
C	Common interests between community and corporation: Employment and labor benefits. A portion of the community which feels that the compensation being offered by the company is adequate. Potential for splinter group within community
D	Common interests between the government and the community only (excluding corporate or ENGO interest): welfare benefits, political representation
E	Common interests between ENGO, government and community (excluding corporate interest): environmental protection through state-level economic analysis
F	Common interest between ENGO and community (excluding government or corporate interest): environmental protection based on normative concerns (value-based)
G	Common interests between corporation and government: strategic economic development concerns for the state, exogenous to the region
H	Common interests between ENGO and government (excluding community and corporation): other environmental lobbying efforts in which the ENGO is involved outside this conflict area (but within the country) which the government endorses
I	ENGO interest only: based on a broader vision of the ENGO's charter. Accountability to international headquarters and to the resolution of other disputes outside this country

Note: There is no region of common interest between the ENGO and the corporation (at least from the information currently available).

THE OUTCOMES

Both mining projects were approved by the respective governments in 1997. WMC made some organizational changes after the violent incident in Maaree. Community Relations officers were appointed and the anthropologist who had been in charge of the Olympic Dam mine was demoted and given the foreign portfolio (dealing with WMC operations in the Philippines). On July 15, 1998, after six months of vigorous debate the Australian parliament passed the amendments to the Native Title Act which the Howard government had proposed as "The Ten-Point Plan." This plan would considerably limit the extent to which Native Title could be claimed by Aborigines on land that was being leased by mining companies and also limit the provisions which had been branded in political discourse as "the right to negotiate." There were still several legal challenges to the bill pending in the Courts. Earlier that year the European Parliament had adopted a resolution (specially addressing Australian mining conflicts) which called on all Member states to "ban imports of uranium from mines where the land rights of Indigenous Peoples are being compromised." Nevertheless, domestically, the

Aborigines had to come to terms with the political verdict of the elected parliament. The future of the Olympic Dam mine was tentatively secure.

In Canada, as the McArthur River project neared completion, there was a growing sense of reconciliation and acceptance in Saskatchewan. The northern leaders signed a memorandum of agreement supporting the long-term development planning goals of the government, including mining. The venue for the meeting, quite surprisingly to some, was Wollaston Lake [14]. Meanwhile, Vice Chief Dantouze had asked for some of the Chiefs of Northern bands to sign a letter asking for a moratorium on mining until revenue-sharing arrangements were negotiated. The Chiefs who signed the letter were soon confronted by many of their constituents who were working in the mining industry. The leadership in Black Lake, Fond du Lac and Wollaston Lake (three groups who had opposed mining) were subsequently defeated in elections or were forced to resign by the constituents. Environmental groups continued to voice their dissatisfaction with the process of government approval but they began to focus on global issues. The proliferation of nuclear weapons in South Asia and the Jabiluka mine in Australia topped the list. There was at least a semblance of unity and a growing proclivity, even in the most radical circles, to disagree without being disagreeable.

KEY DIFFERENCES IN THE NEGOTIATION PROCESS:

Even though the outcomes in both cases may appear to be similar, there are some distinct differences in the way the companies approached the negotiations and these are likely to eventually lead to a difference in the long-term viability of the projects. Some of the key differences which were found at various tiers of the process are highlighted below in three notable categories.

1. Executive Involvement:

Mining companies in general follow conventional management hierarchies that delegate the decisions regarding community relations to the highest executive officer. The leadership of this individual is thus critical to the way in which the negotiations proceed. In both cases the CEOs of the companies played a pivotal role in the process and were well-experienced executives who had spent their entire careers working for the mining industry.

The CEO of WMC, Hugh Morgan, was a lawyer by training and had been the President of the Australian Mining Industry Council in the early eighties. Those were the days when he had acquired a “fundamentalist” reputation in the industry for political activism. Morgan’s leadership had even been highlighted in academic discourse. Ronald Libby, in his book on Aboriginal policy and mining in Australia noted that: “Morgan in particular, was animated by the philosophy that times required corporate leaders to take public positions on a broad range of issues affecting them.” [15]. When the Olympic Dam project was initiated, WMC had a “group-geographer’s office” which coordinated community relations activities, particularly with Aboriginal groups. However, the authority given to these departments was relatively limited. One of his staff commented on the organizational hierarchy as follows:

The most powerful force on the business unit was what Hugh Morgan believed / said about the relationship he thought the business should have with Aboriginals and with Non-Governmental Organizations. On the big issues Hugh would direct. Those advising in roles in the Group Geographers' Office (anthropologists and political geographers) and Corporate Development would not necessarily be told of those directions [16].

Morgan believed that Aboriginal involvement should be at the consultative level but not at the level of formal negotiations. Compensation mechanisms were devised so as to assuage Aboriginal concerns without a formal inclusion of their voice in the decision-making process.

In contrast, the CEO of Cameco believed in a much more participatory interaction with the community. Bernard Michel, had spent most of his life working for the uranium industry in France, Africa and Canada and he felt that the inclusion community relations were essential for long-term business success. In one of his speeches to the Uranium Institute in London Michel stated:

Relationships with local communities, like uranium ore, are a valuable resource needing competent development [17].

When Bernard Michel became CEO of Cameco in 1990 he made Cameco set a target of 50% northern employment by 1995. In 1989, the work force percentage was 32.2% Northerners. By 1992 this percentage had risen to 43.3% [18]. The target for 1995 was successfully met. While attrition in the Aboriginal workforce was unusually high (more than twice the number for on-Aboriginals), the company continued to aggressively pursue Northern employment as a long-term strategic decision. Chief Harry Cook, a notable tribal leader and business person was appointed to Cameco's board of directors in 1991. While these initiatives clearly had some outlay attached to them, the company defended this before shareholders as a "cost of doing business" [19].

2. Negotiation /Consultation Forums:

Given the differences in the skill-level and the location of the communities, it is perhaps inappropriate to simply compare Cameco's employment performance with WMC. However, the use of forums for consultation and more importantly negotiations provide striking differences between the two cases.

WMC relied on the environmental impact assessment process as a means for bringing forth opinions and comments from the communities. As stated by David Stokes, the community relations officer for WMC's Olympic Dam operation stated:

The comments were made to the government and it was then the government's job, not ours, to distill the comments and to make a series of questions to us which we duly answered. We got no response specifically

from the Aboriginal people. Which says either of two things, either they were not aware of it or that they were happy [20].

Consultation between WMC and the Aboriginal groups was bilateral and did not involve any open forum discussions with all constituents at the same table.

On the other hand, Cameco preferred to organize multilateral forums for deliberation. Bernard Michel and top executives from the McArthur River and Cigar Lake operations met with 23 community leaders and representatives, including Wollaston Lake in March, 1993. The aim of this meeting was to improve communications between the company and the community. To address these issues it was decided at this meeting that an Athabasca Working Group would be created which would ultimately draft an agreement of understanding between the communities and the companies. The members of the working group were the elected leaders of each Athabasca community and a designated community representative chosen by the elected leader. To remain free of any political involvement, it was decided that government agencies or officers of the Federation of Saskatchewan Indian Nations, the Prince Albert Grand Council or the Metis Society would not be included, except by invitation. On January 31, 1998 The Athabasca Working group announced that it had reached an agreement with Cameco as well. The agreement covered compensation/indemnification in the event of damage from project emissions, jobs, training and business and approaches to benefit sharing.

3. Perception of Empowerment:

Differences in bargaining power can often lead to disillusionment with the process of negotiation. Indeed, there is sometimes a perception that the mere process of negotiation is perhaps a concession to the other side. This has been the case in many ecological disputes, particularly those involving ENGOs. However, a closer analysis reveals that such intransigence on any side usually leads to long-term adversarial relationships among stakeholders, thereby undermining the interests of all sides. Negotiations particularly become important when there is no legal recourse or the expense involved in seeking an adversarial alternative is unacceptable.

In both cases the indigenous groups have similar "hunter and gatherer" lifestyles and hence share certain anthropological traits in terms of their perceptions of the natural world. The perception of what constitutes "power" in these cultures is also very different from Western societies. An extended project on culture and conflict, conducted by the University of Victoria in Canada states that the most important conclusion of their study was "the centrality of power in intercultural conflict" [21]. How well a company is able to "empower" the community or place things in perspective for all sides is dependent on their understanding of this cultural divide. The Canadian company was clearly able to proceed more successfully in its negotiations with the indigenous communities because they provided the communities with a sense of empowerment and respect. This was often lacking in the Australian case. The opposition which WMC encountered was sometimes merely a result of misplaced anger due to a lack of engagement, exemplified by the following statement from Regg Dodd, one of the Aboriginal leaders who ostensibly opposed mining:

We've never opposed mining in any way at all. What we were concerned about -- and I was deeply concerned about is -- a lack of consultation. We were happy to sit down and negotiate with them. We were happy to consult with them. It was Western Mining who was trying to discredit us [22].

Indigenous communities feel a particular sensitivity to the issue of empowerment because of the legacy of colonial oppression. Thus garnering their support requires a fundamental appreciation of their right to make decisions about their lives and the land which they have believed to be their own long before contemporary laws of ownership were enacted.

CONCLUDING THOUGHTS

At the end of this paper, a reader from an industrial perspective may wonder what the point was of offering this comparison when in both cases the companies attained their desired objectives. Is this simply a case of different approaches to community relations depending on different legal contexts? Indeed law has not figured prominently in my exposition because in my opinion legal recourse should be a means of deterrence but not a process for dispute resolution at the corporate/community level. While my analysis clearly favors the approach taken by Cameco, the study does not espouse a good vs. bad player dichotomy. Indeed, many of the decisions made by WMC were in good faith and worked out in terms of short-term strategic planning. Long-term community relations were, however, not considered and may come to haunt the project in the future. Issues of social responsibility vis-à-vis a private corporation are clearly at stake. While companies cannot assume the role of a social welfare entity, they clearly have certain responsibilities when operating in a remote area in which they have a monopoly over economic opportunities for the population.

Conceptualizing the particular negotiating circumstances in these uranium mining cases requires a broader appreciation for various approaches to dispute resolution. This paper has only attempted to offer some preliminary insights into a series of complex cross-cultural disputes. The cases under discussion are not zero-sum games and therefore require more than just a static model of possible outcomes [23]. A more dynamic analysis involving anthropological and qualitative reasoning is in order. Complementing such approaches, psychologists and sociologists tend to introduce personality factors and include large-scale collection of experimental evidence in their models [24]. Organizational behavior vis-à-vis ENGOs and corporate entities may play an important role in the process as well [25]. Economists such as James Cobbe have argued that there are essential characteristics of mining companies and the nature of the global mining economy which can cause breakdowns in negotiations [26]. These characteristics result from the relative monopoly over economic development which resource extraction companies have in remote regions. Like all cases of monopoly power some form of external intervention, such as government mediation, may help to move the process forward. Government intervention and NGO involvement may also be important

variables in the two cases that deserve further study. Nevertheless the interaction which matters most is between the company and the community -- between the developer and those on whom the mode of development is to be exercised. It is at this interface that the most critical choices regarding approaches to dispute resolution need to be made to present long-term conflicts.

ENDNOTES AND REFERENCES:

[1]. There are other examples where Canada and Australia have been used as comparative measures in social science research particularly pertaining to Aboriginal rights and environmental concerns. See Fletcher, Christine ed. (1994). *Aboriginal Self-determination in Australia*. Canberra, Australia: Aboriginal Studies Press, and *The Economist*: "Uranium: A Canadian Reader for Australia." June 30, 1984. There is also a *Journal of Australian and Canadian Studies*.

[2]. The World Uranium Hearings were held in Salzburg, Austria in 1992 during which indigenous groups had an opportunity to voice their concerns. One of the Aboriginal leaders from the Roxby Downs area, Joan Wingfield, recounted an alarming story. She stated that since 1966, when aborigines were finally allowed Australian citizenship, there has been a continuing tendency of paternalistic anthropological practices from the white community. In one encounter with the CEO of British Petroleum, Ms. Wingfield asked the gentleman, if he would knock down Stonehenge (an old Anglo-Saxon archeological site) to establish a mine. The CEO responded by saying "of course not," but that the Aboriginal sites were more akin to fairy tales and to protect them would be like trying to protect Pooh Corner (from the *Tales of Winnie the Pooh* by Milne). Some sites he stated just "have to be sacrificed in the name of civilization" (*Testimonies, Lectures and Conclusions of the World Uranium Hearings* (1992), pp. 195-197, accessed by Web: <http://yarra.vicnet.net.au/~seaus>).

[3]. In 1993, Bob Hawke was replaced by his fellow-partyman Paul Keating as Prime Minister. The dynamics of this election and the general perceptions of environmental issues in Australia are discussed in detail in Keen, M. et al. (1994). "Approaches to environmental management at the Australian local government level: initiatives and limitations." *Environmental Politics*, Vol. 3, pp. 43-67. McAllister, Ian (1994). "Dimensions of Environmentalism: Public Opinion, Political Activism and Party Support in Australia." *Environmental Politics*, Vol. 3, No. 1, pp. 22-42.

[4]. Data from WMC, Annual Report, 1996. A regular newsletter of the anti-uranium groups in South Australia called *Chain Reaction* has been published since the early nineties. Though often one-sided, the articles in this newsletter are nevertheless very informative and full of credible data. See Rosewarne, Clive (1996) "Undermining Aboriginal Interests: A Case Study of the Western Mining Corporation." *Chain Reaction*, No. 73-74.

[5]. Australian law recognizes the doctrine of *terra nullius*, which asserts that before colonization Australia was essentially uninhabited and hence there is no prior claim to land. This is in stark contrast to American and Canadian law which revolves around the concept of treaties between natives and the colonizers.

[6]. Ronald Libby has written a treatise on the ambivalence of Australian mining policies during the nineteen eighties, concluding that the government was initially able to go beyond the models of dependency theory, and give considerable clout to the aborigines. However, this soon changed because of factional politics within the party and the mobilization of public opinion by the mining lobby. Libby, Ronald (1991). *Hawke's law: the politics of mining and Aboriginal land rights in Australia*. University Park PA: Penn State Press (Also published by University of Western Australia Press, Perth).

[7]. The role of government in "mandating cooperation" has been given a comparative exposition by Peter May (1995) in his study of intergovernmental environmental issues in New South Wales and New Zealand.

[8]. Some of the cases are: *Western Australia v. Commonwealth*, 1995; *Mason v. Tritton*, 1994; *Walker v. New South Wales*, 1994; *Coe v. Commonwealth*, 1993; *Pareroultja v. Tickner*, 1993.

[9] Personal communication with a Native individual in Saskatoon, Canada, July 21, 1998.

[10]. In 1991, the governments of Canada and Saskatchewan announced the formation of a joint federal/provincial panel to review five proposed uranium development projects in Saskatchewan. McArthur river was the highest project with the highest grade ore potential among these sites.

[11]. These surveys were conducted for Cameco by independent consultants. Jamie McIntyre, personal communication, Saskatoon, March 21, 1998.

[12]. Press Release from John Dantouze, Prince Albert Grand Council, Saskatchewan, October 3, 1996.

[13]. Goldstick, Miles (1987). *Wollaston: People Resisting Genocide*. Montreal: Black Rose Books.

[14]. Sinkewicz, Paul. "Planning for northern development gets underway." *Saskatchewan Sage*, July, 1998.

[15]. Libby, Ronald. *Hawke's law: the politics of mining and Aboriginal land rights in Australia*. University Park PA: Penn State Press (Also published by University of Western Australia Press, Perth), 1989, p. 59.

[16] Teh, Katherine. personal communication via email, August 2, 1998. Currently manager for Communications at QEST Consulting. Former Public Policy Officer at WMC.

[17]. Michel, Bernard. "Corporate Citizenship and the Saskatchewan Uranium Industry." *The Uranium Institute Symposium Proceedings*. London: The Uranium Institute, 1995.

[18]. Sub-committee of the Intergovernmental Working Group on the Mineral Industry. *Report on Native Participation in Mining Phase III: Aim for the Moon*. Ottawa: Canadian Government Publications, September, 1992, pp. 60-63.

[19]. Ibid., p. 65.

[20]. Stokes, David. Community Relations Officer for WMC, personal interview, Port Augusta, South Australia, January 22, 1998

[21]. Lund, Brishkai et al. (1994) *Conflict and Culture: Report of the Multiculturalism and Dispute Resolution Project*. Institute for Dispute Resolution, University of Victoria, Canada.

[22]. Transcript of radio interview with the Australian Broadcasting Corporation, March 5, 1995.

[23]. James Crowfoot and Julia Wondolleck have compiled a volume on environmental disputes with several case examples on how appropriate mediation and negotiations strategies have been more effective than conventional modes of social resistance. Crowfoot, James and Julia M. Wondolleck (1990). *Environmental Disputes: Community Involvement in Conflict Resolution*. Washington DC: Island Press.

[24]. Game theory, a field of economic analysis, was initially developed by von Neumann and Morgenstern *The Theory of Games* (1944), and has been used in negotiations discourse since the publication of Schelling, Thomas (1960). *The Strategy of Conflict*. Cambridge MA; Harvard University Press.

[25]. An excellent study in this vein is Bartos, Otomar J.(1974). *Process and Outcomes of Negotiation*. New York: Columbia University Press. He found that his negotiators were almost always able to discern the preference orderings of their opponents. However, these experiments precluded side-payments and had strict time limits. Buchholtz, Rogene et al. (1989). *Management Response to Public Issues: Concepts and Cases in Strategy Formation*. Englewood Cliffs NJ: Prentice Hall. This volume recounts several intriguing case studies of corporate responses to public concerns. A more disturbing question is addressed in the anthology by Houck, John W. and Oliver Williams eds. (1996). *Is the Good Corporation Dead? Social Responsibility in the Global Economy*. London: Rowman and Littlefield.

[26]. Cobbe, James H. (1979). *Governments and Mining Companies in Developing Countries*. Boulder CO: Westview. Smith, David N. and Louis T. Wells Jr. (1975). *Negotiating Third World Mineral Agreements: Promises as Prologue*. Cambridge MA: Ballinger. These are detailed studies of negotiations involving mining companies and governments of developing countries. The dynamics of such talks may, however, be quite different, given the nature of “the state” in many parts of the world. The “bargaining hypothesis” is also tested in some detail in the context of the manufacturing industry in Kobrin, Stephen J. (1987). “Testing the Bargaining Hypothesis in the Manufacturing Sector in Developing Countries.” *International Organization*, Vol. 41, pp. 609-638.