

Tar Sands and Social Costs



GREENPEACE

SOCIAL ISSUES

When most of Canada hears about the tar sands in Alberta, they think economic boom, high-paying jobs and Canadians benefiting from a good source of petroleum. But, along with high environmental costs, tar sands developments mean direct and indirect social costs.

Who profits?

Companies from all over the world — from the United States and Abu Dhabi to South Korea, Norway, the Netherlands, France, Germany, the UK and China - own huge chunks of Alberta's tar sands real estate.¹

Many Canadian workers in the tar sands may be seeing large pay cheques, but there are enormous downsides. Long hours, poor accommodation, exploitation of workers, remote job locations and a lack of job security are common complaints.²

On paper, the Energy Resources Conservation Board (ERCB), Alberta's oil and gas regulator, has a mandate to regulate and develop oil and gas production in the public interest, but in any given year, the ERCB approves more than 95 per cent of the 60,000 applications submitted by industry. These include oil wells in lakes and parks, sour-gas wells (as poisonous as cyanide) near schools and the construction of thousands of methane wells and transmission lines throughout Alberta's most fertile farmland.³

Cheap labour practices allow tar sands oil companies to cut costs by hiring non-unionized workers and workers from other countries.⁴ There were 57,843 temporary foreign workers in Alberta in 2008 — a 55 per cent jump from 2007.⁵

In a recent survey in Alberta, more than half of all respondents said they were not benefiting from the boom; 56 per cent felt that

citizens are not receiving a fair share of the wealth being generated by developing the province's oil sands.⁶

The people: pains and not always gains

Between 1996 and 2006 more than 700,000 people poured into Alberta to work in the oil industry, creating severe housing shortages and a \$7-billion infrastructure shortfall in roads, schools and healthcare facilities.⁷

From 1999 to 2007, the population of Fort McMurray jumped from 36,000 to 65,000. The population of the Regional Municipality of Wood Buffalo, which encompasses rural communities outside Fort McMurray, more than doubled from 42,800 to 90,000.⁸

In 2006 homelessness in Edmonton increased by 19 per cent, while Calgary has seen a 458 per cent growth in the number of homeless people since 1996. Front line workers report that among the homeless, families and employed individuals are increasing in numbers.⁹

In one decade, the price of a single-family home in Fort McMurray rose from \$174,000 to more than \$800,000 — twice the average price of a home in Canada. Rents have skyrocketed: some workers pay \$700 a month just for a cot in a walk-in closet; some tradespeople will wrap insulation around their vehicles and camp out in -40 degree weather.¹⁰ Wages for many low-income residents have not increased to meet the increased costs.

The negative socio-economic effects of rapid growth include alterations to the traditional way of life, negative impacts on traditional lands, drug and alcohol abuse, and increased dependence on non-profit social service providers.¹¹



Substance abuse, gambling and family violence increased in Alberta, especially in towns near tar sands projects.

For example, Fort McMurray:

- has the highest suicide rate in the country for men age 18-24;
- reports five times more drug offences than the rest of Alberta;
- has an 89 per cent higher rate of assault;
- has a 117 per cent higher rate of impaired driving offences.

Women in Alberta experience the highest level of spousal abuse in Canada.¹²

The Northern Lights Health Region, now part of Alberta Health Services, serves Fort McMurray and the surrounding area. A recent report noted that 38 physicians served 60,000 people, a doctor-patient ratio of 1 to 1579 – three times lower than found in countries such as China, Mexico and Uzbekistan.¹³

More than 58,000 temporary foreign workers from countries such as China, India and Romania, have poured into Alberta to fill jobs created by oil production. Exploitation of the workers is not uncommon. In just one three-month period in 2008, the Alberta government handled 800 complaints of abuse of guest workers.¹⁴

First Nations in the tar sands face difficult issues. They claim that development of the tar sands is destroying their traditional lands. They argue that they are not consulted about development and do not receive adequate compensation for the destruction of their lands and water supplies.

Many of Canada's First Nations people, including the Cree, Métis, Dene, and Athabaskan, are tied to the land and rely on the continued existence of wildlife for their living.¹⁵ Wildlife is becoming tainted by toxins. Fish and game animals are appearing covered with tumours and mutations. Fish frying in a pan smells like burning plastic. Moose meat from the region contains unacceptably high levels of arsenic,¹⁶ which is a potent cancer-causing substance.¹⁷

Metis fishermen in Fort Chipewyan, downstream from the mines, have discovered hundreds of deformed fish, and among the aboriginals who eat the local duck, moose and fish, there are unusually high rates of renal failure, lupus, hyperthyroidism and a particularly rare type of cancer. Tailings ponds cover nearly 60 square kilometres of forest and muskeg around the Athabasca River. They contain dozens of carcinogens that have killed birds, fish and mammals. To date, no provincial or federal agency has done a review of the ponds or their seepage rates into groundwater and the river.¹⁸



1. Tar Sands: Dirty Oil and the Future of a Continent by Andrew Nikiforuk, page 22
2. TS pages 24 and 43
3. TS page 28
4. TS page 22
5. Alberta Federation of Labour report <http://www.afl.org/upload/TFWReport2009.pdf> pg 12
6. Pembina Institute Poll from May 2007 at: http://pubs.pembina.org/reports/Poll_Economics_MediaBG.pdf part 2
7. TS page 24
8. TS pages 46 and 47
9. Parkland Institute 2007 Report at: <http://www.ualberta.ca/PARKLAND/research/studies/execsum/ESSpoilsBoom.pdf>

10. TS Pg 44 and 45
11. National Energy Board report "Canada's Oil Sands. Opportunities and Challenges to 2015" at: www.neb-one.gc.ca/clf-nsi/rnrgynfntn/nrgyrprt/lsnd/pprntnsndchllngs20152006/pprntnsndchllngs20152006-eng.pdf Page 55
12. TS page 44
13. TS page 51
14. Pembina Institute report at: www.tarsandswatch.org/files/adirtylittlesecret.pdf
15. <http://www.abheritage.ca/abnature/boreal/boreal.htm>
16. http://www.environmentaldefence.ca/reports/pdf/TarSands_TheReport.pdf page 8
17. TS page 69
18. TS pages 81 to 92