

April 2009

Economic Downturn Heightens Wood Buffalo's Challenges

Alison Taylor

Much has changed in Wood Buffalo since we conducted the fieldwork for the study between March and October of 2008. There has been increased media attention to the environmental impact of oil sands development, with a March 2009 article in *National Geographic* and charges laid by the provincial government against Syncrude Canada Limited in relation to the death of 1,600 ducks in one of its tailings ponds in April 2008. In addition, before winning the United States presidency, Barack Obama vowed to break America's addiction to "dirty oil."¹

Alberta has also officially entered a recession. Recent newspaper articles suggest that since December 2008, Alberta has lost about 36,000 jobs with 19,000 of those in construction, most linked to the oil sands industry.² Further, Suncor and Petro-Canada recently announced plans for a merger with job losses expected. More than \$80 billion in projects planned to help process raw bitumen from the oil sands at "Upgrader Alley" near Edmonton have apparently been delayed indefinitely, and oil sands developers were expected to cut project spending by \$97 billion.³

Given this slowdown, reliance on industry to supplement government funding in the area of education and training through voluntary partnerships with First Nation and Métis communities may be problematic. Economic pressures on government also heighten concerns about the sustainability of programs like the federal Post-Secondary Student Support Program, intended to provide financial assistance to registered/treaty Indian and Inuit students to gain access to post-secondary education. The Aboriginal Human Resource Development Agreement Program is also under review and questions about how training dollars will be distributed and to whom are on the table. More generally, the sustainability of federal and provincial programs aimed at supporting education and training are in question.

We expect the significant challenges facing First Nation and Métis youth and communities in Wood Buffalo identified in our research to be exacerbated during the recession. For example, the poor quality of education in First Nation and Métis communities and low levels of educational attainment of these youth are even more problematic in a more competitive labour market. Similarly, the loss of construction jobs in the oil sands disproportionately affects First Nation and Métis people, many of whom work as labourers for contractors. Further, since many band-operated companies service the transnational corporations, the downturn is likely to hit them hard as well. As we argue in the report, a more coordinated and expansive approach to education and training in Wood Buffalo is needed now more than ever.

¹ See: Haggett, Scott. February 9, 2009. "Syncrude faces charges over death of ducks"; Sheldon Alberts. June 24, 2008. "Obama's fight against 'dirty oil' could hurt oil sands." *National Post*.

² See: Christian, Carol. March 25, 2009. "Oilsands jobs might not come back." *Fort McMurray Today*. Article ID: 1495297.

³ See: Montgomery, Shannon. March 29, 2009. "Environmentalists say oilsands slowdown time for new legislation." *Edmonton Sun*.