From anticipation to practice: the social and economic management of nickel industry facing the facts

The case of North Province in New Caledonia

Grochain S (IAC), Poithily D (IAC), Sourisseau JM (Cirad ES).
Provinces et communes de la Nouvelle-Calédonie
La Nouvelle-Calédonie, un pays riche ?
1700 jobs induced in the region

1000 permanent jobs for 30 years

8000 new comers in the region

3000 jobs for the construction during 3 years
Cross looking at structuring projects

Jobs created

Spillover effects in VKP and outside VKP

Political reasons

Employment

Structuring the local economy

Linkages between custom and economy
2005: a strong support from the different stakeholders

Issues, risks perceived
Employment in 2005
Employment in 2005

Des déceptions débouchent sur des dérapages

DIFFRENT VISIONS BETWEEN COMMUNES AND TRIBES REGARDING LOCAL EMPLOYMENT
but ...worries about the imbalance between eastern and western sides within the North Province
Structure of the local economy and competition with enterprises from outside the province in 2005

- Competition between provinces
- Financial scheme little known
- Access to land
- Fear from failure for firms
Structure of the local economy and competition with enterprises from outside the province in 2005

Not only the factory matters! For local development!!!
Structure of the local economy and competition with enterprises from outside the province in 2005

Not only the factory matters!

NORTH PROVINCE DEVELOPMENT PATH

NICKEL PLANT
OTHER STRUCTURING PROJECTS
PRIVATE SECTOR
SOCIAL ECONOMY
Structure of the local economy and competition with enterprises from outside the province in 2005

• In 2008, 550 enterprises created vs 340 in 2005.

• Around 450 new enterprises in 2010.

• Support for creation by province (Local development and CODEV)

• For small enterprises, 38 billions from mid-2005 to mid-2009, out of which 60% for local based enterprises (90 created)
Structure of the local economy and competition with enterprises from outside the province in 2005

Enterprises managers

- Group of enterprises
- BEN

DIVIDES THE CONTRACT AND REDISTRIBUTES

SAS Vavouto

TECHNICAL COMMITTEE

Technical committee allows enterprises to have a voice in the decision making process at SAS

Légende :
↓ : Compose(nt)
Structure of the local economy and competition with enterprises from outside the province in 2005

- Competition has been globally controled
- Local entrepreneurs have benefitted up to now from economic development
- Solidarity strategies and network mobilization have worked efficiently

++ but ... Entreprises are small size (80% have no employees) and benefit from Province support

PRIVATE SECTOR DELAYED IN TAKING THE LEAD OVER PUBLIC INVESTMENT
Social cohesiveness and linkages between customary practices and economy in 2005

STRUCTURING PROJECTS WILL BOOST THE CURRENT CHANGES

ASYMLETIC ACCESS TO RESOURCES REMAINS

RESILIENCE OF KANAK SOCIETY AND ADAPTATION CAPACITIES
Social cohesiveness and linkages between customary practices and economy in 2005

- To be prepared to face risks
- Loss of quietness and quality of life
- Positive melting process or acculturation
- Maintain tribal space without excluding it from development
- Development based on individualism and monetary values
Social cohesiveness and linkages between customary practices and economy in 2005

Elements from recent studies

From CODEV assessment (2010):

• Half of the 3000 projects under evaluation improve social inclusiveness
• Seem to increase neighbouring envies

Study in kanak tribes from VKP:

• confirm risks of destructuring and hence of rural leave
• But this remains under control by the customary chiefs
Social cohesiveness and linkages between customary practices and economy in 2005

Diagram showing connections between Coutumiers, Habit, SCP 1, SCP 2, and SAS Vavouto.
Social cohesiveness and linkages between customary practices and economy in 2005

Attempts to isolate «customary dimension» experienced very diverse results.

Up to now the system allowed the preservation of local enterprises and included the customary authority in the game. This inclusion induces a certain degree of internal recomposition.

The system does not prevent conflicts even if their intensity is controlled; it does not limit the territorial disequilibrium that appear risky on mid term.

The resilience of tribe organization seem effective but it will go along with a certain degree of internal reorganization of customary institutions.

Up to now, no clear answer on the quality of development; uncertainties remain!
Arguing for an observation process all along the mining cycle