Establishing a Social Licence to Operate Amidst Complexity: Issues and Opportunities for Mining Sector Governance

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Introduction

- Benefits of mining
- Mining issues
- Sustainable development, governance, and the emerging role of communities
- The ‘Social Licence to Operate’ (SLO)
What exactly is a SLO?
Where did it originate from?
Adapted from Lemos and Agrawal (2006)

Social Licence to Operate in Northern Canada's Mining Sector

**STATE**
- Federal Regulation
- Provincial / Territorial / Regional Regulation
- 'Flag State' Oversight
- International Commitments

**CIVIL SOCIETY**
- Co-Management Arrangements
- Aboriginal Rights and Governance
  - 'Civil Regulation'
    - By local communities and civil society (generally)
    - By NGOs

**MARKET**
- Public-Private Arrangements
- Private-Social Arrangements
- Markets and Economies (Generally)
- Other Market-Driven Processes
- Corporate Social Responsibility (CSR) Initiatives
  - Firm-level initiatives
  - Sectoral initiatives
  - Non-sectoral initiatives

**MARKET**
- Private-Social Arrangements
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  - Firm-level initiatives
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Filling a Knowledge Gap: Assessing SLO

- SLO is an emerging area of inquiry
- Mining-community contexts are complex
- Mining-community conflicts continue to arise
- In regards to mining sector governance, there is much that can be improved upon

Research question:
What are the actual and potential governance arrangements that enable the establishment of a SLO in the mining sector?
Filling a Knowledge Gap: Assessing SLO

• Methodological considerations:
  – Qualitative, case study approach
  – Use of primary and secondary research methods
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• Complex Adaptive Systems and Resilience
  – Emergence
  – Cross-scale effects
  – Change and uncertainty
  – Multiple stable states
From: Walker and Salt (2006)
Case Studies
Minto Mine, Yukon

- Copper-gold mine in operation since 2007
- SLO issued by large segment of Selkirk First Nation because of:
  - Land claim and regulatory arrangements that guarantee SFN benefits and participation in decision-making
  - Corporate and community commitments to dialogue
  - Limited environmental impacts
  - Adaptability of parties
Case Study Results

Proposed Tambogrande Mine, Peru

- Proposed gold, silver, copper and zinc open pit mine pursued in late 90s/early 2000s
- SLO not established with local residents because of:
  - A difficult development context
  - Polarization of positions
  - Lack of public trust in government institutions
  - Ineffective stakeholder engagement
  - Strong civil society activity

Images courtesy: Guarango Cine y Video
Case Study Results

**Ok Tedi Mine, Papua New Guinea**

- Gold and copper open pit mine in operation since 1984
- SLO not established with downstream landowners because of:
  - The presence of significant environmental effects
  - Ineffective stakeholder engagement
  - A strong civil society campaign against the mine
  - Failure of government to balance needs of landowners and industry
  - Difficult development context

Image courtesy: Ok Tedi Mining Limited
Case Study Results

Red Dog Mine, Alaska

- Zinc-lead mine in northwest Alaska in operation since 1989
- Research commencing April 2012
- Results forthcoming

Image courtesy: Red Dog Mine
Key Findings (To Date)
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• SLO and resilience are highly normative concepts.
  – ‘Pre-requisites’ must be in place
• Context is key. Systems approaches provide a valuable way of understanding key SLO variables.
  – Context, mine, community, mine-community relationship, governance and institutions
  – Change, uncertainty, emergence, cross-scale effects
• Variables of primary importance include:
  – Commitment to dialogue and best practice community engagement
  – Community benefits provision and participation in decision making
• Change and uncertainty are inevitable. Adaptive approaches are needed.
SLO Foundations

- Change
- Uncertainty
- Emergence
- Cross-scale effects

Mine

Community

Governance and Institutions

Mine – Community Relationship

SLO Outcomes

SLO Resilience
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Looking Forward

Continue to:

- Identify SLO determinants, and obstacles and opportunities for mining sector governance
- Refine definition of SLO
- Refine SLO framework
- Prepare and disseminate results
Thank You