



Original article

Refining the preconditions of a social licence to operate (SLO): reflections on citizens' attitudes towards mining in two Finnish regions



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ABSTRACT

The debate around the social licence to operate (SLO) has been lively in recent years. In its elementary forms, the SLO is interpreted as the social acceptance granted by a community to mineral exploration and mining activities. Our theoretical assumption is that the SLO as a concept is both case-specific and more general, contingent, among other things, upon public opinion. In this study, acceptance is considered as general and anticipatory in the sense that it can act as a precondition for individual SLOs. Our intention is to contribute especially to recent novel research focusing on the more general background and factors contributing to the SLO. Using survey data (N = 1064), we explore relationships of factors potentially connected to the SLO in two Finnish regions where in the last decade mining has been a growing industry. We are concerned with the connection between the acceptability of mining and six factors measured by nine variables. The findings show that the six factors investigated are indeed connected to acceptance but not in any straightforward manner.

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1. Introduction

The importance of the societal acceptance of mining has become apparent to various actors in the sector. In the last 20 years the mining industry has been under pressure to contribute more positively to regional development (IIED, 2002; 4; Gibson, 2006; 334; Slack, 2009; 83; Tuusjärvi, 2013; 11). The global image of mining has been negative, with concerns raised in particular about the ability of the industry to manage environmental and social impacts (Clark and Cook Clark, 1999; Hilson, 2002; Cademartori, 2002; Jenkins and Yakovleva, 2006; Holden and Jacobson, 2007; Holden et al., 2007; Trebeck, 2007; Eerola, 2008; Holden and Jacobson, 2008; Le Billon and Levin, 2009; Taylor, 2011; Urkidi, 2011; Akiwumi, 2012). The mitigation of the environmental impacts of mining has been approached mainly as a technological and engineering challenge, but less is known about how to manage the social and cultural impacts of mining (Clark and Cook Clark, 1999; 190; Solomon et al., 2008; 142; Richards, 2009, xxi; Everingham, 2012; 92). A growing number of mine managers and executives, however, now recognize that these challenges also require the application of effective policies, and that in addition to complying with legislation and official requirements, it is vital to

ensure the social acceptance of their operations (Joyce and Thomson, 2000) or to secure a so-called Social Licence to Operate (SLO) (Franks and Cohen, 2012).

There is now a substantial body of research which explores the challenges surrounding the SLO (Wilburn and Wilburn, 2011; Luning, 2012; Eerola and Ziessler, 2013; Owen and Kemp, 2013), in particular, empirical research which has endeavoured to identify factors contributing to its formation. Using survey data, we explore which factors are potentially connected to the acceptance of mining for certain substances in two Finnish regions where in the last decade mining activity has expanded. Our intention is to contribute especially to recent novel research that focuses on the more general background and factors contributing to the SLO (e.g. Moffat and Zhang, 2014; Moffat et al., 2014a,b; Zhang et al., 2015).

Based on the recent social science literature on mining, our theoretical assumption is that SLO as a concept is both case-specific and more generally contingent among other things, upon public opinion (e.g. Gunningham et al., 2004; Prno and Slocumbe 2012). Mason et al. (2014; 1) have stated that the wider population (not only the local residents) has expectations regarding, for example, how the mining industry should act. Such public opinion is seen to affect the acceptability of an individual mining operation at the local level and whether or not it is deemed to merit an SLO. However, the attitudes and expectations of the wider population in regard to mining have not been systematically researched to any great degree (Mason et al. (2014; 1–2).

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According to Zhang et al. (2015, 1063) there has been a tendency in research to explore the factors constituting an SLO at the local level and thus to understand, in particular, the relationship between local communities and certain mining operations. It is important, however, not to only focus on whether individual mining operations have an SLO with their community, but to also look at whether the entire industry operates under an SLO from the public at large (Zhang et al., 2015; 1063–1064). We therefore direct our research towards public opinion, but still keep an emphasis on the regional-cultural ties of acceptability (Wilson, 2004; Mononen, 2012; Martinez-Fernandez et al., 2012). It is important to pay attention to the historical and social antecedents and the various social, cultural and societal factors underlying the SLO.

The article is structured as follows. First, based on the literature, we present a general overview of SLO. This is followed by a look at the general characteristics of the mining sector in Finland. These characteristics can be seen as an important part of the societal context surrounding and affecting the formation of individual SLOs. Then, in the third section, the methodological issues of the study are addressed. In the fourth section, we discuss the factors potentially contributing to the acceptance of mining for certain substances. In the fifth and sixth sections, the findings of the analysis are presented: first, the Kainuu data are examined, after which the Lapland data are interrogated. In the final two sections, we first summarize the findings and then compare our results to the main observations from earlier research.

2. A critical understanding of the SLO

The concept of the SLO originally developed as a response on the part of industry to rising criticism and opposition to mining projects, and thus as a mechanism to ensure the viability of the sector (Owen and Kemp, 2013; 29). The concept surfaced in 1997 and quickly became an essential part of the vocabulary of the mining industry, civil society and mining communities (Thomson and Boutilier, 2011a; 1779).

The SLO is usually taken to be site-specific (Thomson and Boutilier 2011a; 1781). It then refers, when simplified, to the social acceptance crucial for the continuity of mineral exploration and mining activities (Franks and Cohen, 2012; 1229; Mason et al., 2014; 1). At the level of individual mining operations and projects, the SLO has its roots in the beliefs, perceptions and opinions held by the local population and other stakeholders about a specific mining project or operation. Thus SLO is typically seen to be granted by the community. (Thomson and Joyce, 2008; Thomson and Boutilier, 2011a; 1779, 1781). Thomson and Boutilier (2011a; 1781) use 'community' to refer to a network of stakeholders including the participation of individuals, groups and/or organisations that might not necessarily be part of a geographic community and recognize the intrinsically heterogeneous nature of communities. A stakeholder is defined as an individual, group or organization that either can affect or is affected by the mining operation (Thomson and Boutilier, 2011a; 1781). Franks and Cohen (2012; 1231–1232) likewise stress the necessity of acknowledging that those located in the vicinity of an operation (communities of place) as well as those with legitimate but perhaps less immediate interests (communities of interest) are both crucial informants in the shaping of an SLO. Gunningham et al. (2004; 308) also define SLO as 'the demands on and expectations for a business enterprise that emerge from neighborhoods, environmental groups, community members, and other elements of the surrounding civil society'. Thus, according to Gunningham et al. (2004; 313), SLO is based on the extent 'to which a corporation and its activities meet the expectations of local communities, the wider society, and various constituent groups'.

A SLO is perceived to exist when the local residents and other stakeholders have expressed their acceptance and/or widespread

approval for some prospecting project or mining operation (Thomson and Boutilier, 2011a; 1779; Prno and Slocombe, 2012; 346; Moffat and Zhang, 2014; 61). It has been emphasized that SLOs may differ in their strength, reflecting various levels of social approval and acceptance (see Thomson and Boutilier, 2011a; 1779; Franks and Cohen, 2012; 1232). The distinction between approval and acceptance reflects the two levels of the SLO: a lower level of acceptance and a higher level of approval (Thomson and Boutilier, 2011a; 1779). At the level of acceptance, the mining operation is merely tolerated. A higher level of SLO pertains when the mining operation is approved of and the continuation of the activity is encouraged. The highest level of SLO is seen in the community's perception of the operation as being integral to their communal identity and values, and thus in a feeling of having a vested interest in the outcomes of the operation. Higher levels of SLO are achieved gradually as an operation establishes legitimacy, credibility and trust. (Thomson and Joyce, 2008; Thomson and Boutilier, 2011a; 1784–1786; Franks and Cohen, 2012; 1232). The interactive process by which an SLO is negotiated is contextually specific, dynamic and non-linear. Stakeholders' perceptions, beliefs and opinions depend, for example, on the operation in question and are subject to change as new information is acquired. (Thomson and Boutilier, 2011a; 1779; Franks and Cohen, 2012; 1232). Thus, SLO has to be earned and maintained because it may be withdrawn at any stage of the operation (Thomson and Boutilier, 2011a; 1779; Franks and Cohen, 2012; 1232). Researchers also stress the significance of the technology used. It then emerges that the SLO evolves in the overall interactive entity and is comprised of different mining operations, technologies and communities (Franks et al., 2010; Franks and Cohen, 2012).

Although an accurate description of comprehensive rules for the formation of an SLO may never be feasible, scrutinizing the background factors contributing to its formation helps to understand what underlies it. For example, Prno (2013) bases his view on four case studies. In light of these he claims that the SLO is contingent upon five important factors: (1) sensitivity to context, (2) capability to interact, (3) extensive attention to sustainable development, (4) promotion of the benefits and active participation and (5) the ability to adapt to a complex reality. Moffat and Zhang (2014; 64–68) likewise tested an SLO model, with its elements being the following: (1) impact on social infrastructure, (2) number of contacts, (3) quality of contacts and (4) envisaged procedural fairness. Their study showed that the impact on social infrastructure, the quality of contacts between members of the local community and representatives of the mining company and the envisaged so-called procedural fairness were significant predictors of trust in the mining company, and this, in turn, was connected to the social acceptance of mining.

On the basis of their study, Thomson and Boutilier (2011b; 5) divide the SLO into four factors: economic justification, socio-political justification, interactive trust and institutional trust. Ziessler-Korppi (2013; 35) brings together aspects which mining companies should consider in the acquisition of the SLO: (1) image management; (2) the will to comprehend the local culture, language and history; (3) respect for the local population; (4) enlightening local residents about the project; (5) building local partnership; (6) developing local capability for action; (7) maintaining interactive communication throughout the project; and (8) preserving trust.

Owen and Kemp (2013; 31) stress that the concept of SLO can be used at a range of societal levels from the macro to the local. They state that contemporary use in mining, however, mainly relates SLO to the perceptions of locally-impacted communities about a company's activities and the impacts of those activities on the local culture, environment, economy and livelihoods. Thus, SLO is often underpinned by an understanding according to which local

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