Mining through controversies: Public perceptions and the legitimacy of a planned gold mine near a tourist destination

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ABSTRACT

The economic, social and ecological implications of the extraction of mineral resources have been increasingly discussed under the heading of the social licence to operate. In Finland, critical public framings characterized by impressions of failed economic promises, unreliable technology and environmental hazards have dominated the recent mining debate. Operators probing for opportunities to establish new mines have faced critical public reactions. Changes to legislation, natural resource management and corporate responsibility have been demanded in order to effectively address environmental concerns and local social acceptability issues. We studied media representations and planning documents in order to identify the variety of publicly presented concerns related to a planned gold mine and mining company's social licence to operate. Our case study focuses on the planning processes of a gold mine adjacent to an important tourist destination in the Kuusamo municipality in north-east Finland. We highlight the role of public debate on the formation and erosion of legitimacy and the fragility of the social licence to operate.

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1. Introduction

The mining industry intensively modifies surface and subsurface areas, affects regions far beyond mining sites through atmospheric emissions and hydrological cycles, and has a wide impact on local economies, social structures and cultural values. Critical public debate often accompanies the planning, construction and operation of a mine, and controversies may also emerge during or long after the closure of a mine (Hilson, 2002; Worrall et al., 2009). These public debates may remain as mere discursive acts without any discernible impact on mining operations, or they may directly or indirectly lead to a refocusing of mining schemes or even the cancellation of operations. Through intensive media reporting and various online and social media applications, local-level public controversies can gain wider attention at national and international levels, especially if conflicts between different societal sectors – such as mining and tourism – are involved (Urkidi, 2010; Tiainen et al., 2014). As noted by McLennan et al. (2014), even though mining and tourism are local issues, they are likely to be reported through national-level media coverage.

The concept of social licence to operate (SLO) is a framework that allows for the causes of conflict and public acceptance to be organized and articulated. It has been increasingly used to understand the formation of local acceptance or opposition toward mining operations, and to manage conflicts between the mining industry and local communities (Owen and Kemp, 2013; Prno and Slocombe, 2013; Bice and Moffat, 2014; Parsons et al., 2014; Koivurova et al., 2015). SLO refers to the constraints and opportunities related to locally determined societal expectations. It aims to inform conflict management strategies by focusing attention on the activities that local communities consider unacceptable, the need for early and active interaction, transparent disclosure of relevant information, and context-sensitive decision-making that is responsive to local culture and history (Prno and Slocombe, 2013). The concept points to social acceptance and legitimacy beyond formal planning and permitting processes, and highlights the need for learning, not only by the employees of the mining industry but also by the members of local communities.

SLO was initially used as a metaphor for the ability of communities to resist or stop mining projects (Boutilier et al., 2012). It is typically perceived in terms of local acceptance of mining operations characterised by a set of four steps or linear stages, ranging from distrust and the withdrawal of licences to acceptance, approval and and finally trust-creation of the mining company's presence in the local community (Boutilier and Thomson, 2011;

Table 1
Legitimation as control of resources by stakeholder groups in the mining sector (compiled based on: Hybels, 1995; Mitchell et al., 1997).

Key stakeholders	Examples of resources controlled by stakeholders
Authorities (state/municipality)	Legislation, regulations, permits, subsidies, taxation, contracts
The public (local communities)	Patronage (as customer), support (as community interest), labor
Finance sector (investors)	Investments
Other industries (e.g., tourism)	Intensity of competition, indirect control by influencing other stakeholders
Media (including social media)	Indirect control by influencing other stakeholders, informing, framing

Koivurova et al., 2015). In this article, we consider this as an over-simplification. Instead, we claim that the formation of SLO requires legitimation that is a result of many parallel and often non-linear social processes with opportunities for amplification and attenuation. Here we focus on the roles of public debates.

Social licence, and more broadly, societal legitimacy, is granted to mining companies and operations through various stakeholders (Prno and Slocombe, 2013; Table 1). Legitimacy can be understood as a resource that an organization must acquire from its environment. Here we take the characterization of Hybels (1995) as a starting point: the legitimation of an organization or industry comes from different constituencies through two general types of actions. First, the stakeholders communicate their good (or ill) will toward the organization and second, they grant (or deny) some kind of resources that are important to the organization. Here we adopt a broad definition of stakeholder (Mitchell et al., 1997) and consider actors such as government or municipal authorities and the media as stakeholders. Stakeholders such as NGOs or journalists can direct critical or positive public attention toward the company, whereas authorities may have a direct influence through permitting procedures. Stakeholders such as customers may communicate complaints about a product or service and then withdraw their support by boycotting the company. Legitimacy is thus coupled with the control of resources that are critical to the organization, with real leverage.

The media has not traditionally been considered as a separate constituency of legitimacy (Hybels, 1995). However, the media – and more recently, social media – has an important indirect influence over how various groups and institutions perceive and react to the legitimacy of a given organization. Legitimation processes involve different discursive underpinnings that highlight and institutionalize certain examples, interpretations, ideologies and narratives (Vaara et al., 2006). Thus, the media does not directly govern resources vital to the organization, but it does affect constituencies' considerations and decisions over the acceptability of a company and its plans and operations, leading to concrete measures of support or withdrawal thereof (Vaara and Tienari, 2008; McLennan et al., 2014; Lyytimäki and Assmuth, 2015).

SLO and the legitimacy of mining operations have been studied predominantly from the perspective of developing economies and corporate social responsibility (e.g., Dashwood and Puplampu, 2010; Hanna et al., 2016). Here the focus is on an industrialized but sparsely inhabited northern country and on public debate. The mining sector in Finland stagnated at the end of the 20th century, but experienced a revitalization after the turn of the millennium. The amount of functioning metal ore mines increased from six to twelve between 2007 and 2012 and over 30 global companies have recently carried out exploration for further deposits (Wessman et al., 2014). The best-estimate future scenario shows continuous growth of the industry and it has been estimated that the metal mining industry has the potential to provide benefits, especially in economically regressive areas (Tuusjärvi et al., 2014). Management of the environmental and economic risks and maintaining the industry's social licence to operate have been identified as key challenges (Jartti et al., 2012; Tuusjärvi et al., 2014).

Public criticism toward the mining industry has intensified in Finland during recent years. One mine in particular has influenced the critical tone of the public debate (Rytteri, 2012): The Talvivaara mine, situated in Sotkamo, in the eastern part of the country, was first welcomed – both locally and nationally – as an economically promising large-scale investment with innovative domestic bioheapleaching technology to extract the metals from ore. The planning phase, the construction of the mine and the commencement of production in 2008 did not draw major public criticism (Meriläinen-Hyvärinen et al., 2012). Critical debate started in 2010. That was first mainly related to the planned uranium production from the by-products of the mine. In addition, the occasional odor nuisances and deterioration of water quality in nearby watercourses attracted criticism. A major leak from the gypsum waste pond caused severe water pollution in 2012 and several subsequent environmental management failures intensified the debate (Tiainen et al., 2014). The critical tone was strengthened by the very poor economic performance of the mine.

Largely because of the high-profile media debate related to the Talvivaara mine, the mining sector as a whole has recently been discussed under critical public framings. As a reaction to the critique, various activities for improving environmental management practices, environmental performance and the public image of the mining sector have been launched. For example, in addition to traditional forms of environmental governance, the Finnish Ministry of the Environment launched a voluntary stress test that was conducted on nearly half of all Finnish mines (Välisalo et al., 2014) and the Ministry of Employment and the Economy has launched a sustainable mineral industry action program (Jokinen, 2013).

This article studies how the legitimacy forming the basis for the social licence to operate is created or eroded while the land use planning processes of a new mine take place. We focus on public perceptions and local debates that inform us about, or advance or oppose the plans for gold mining. We ask who the actors occupying the public discursive space are and how they aim to create, stabilize or destabilize the legitimacy of the planned mine and the mining sector more generally. The main focus is on the views presented as a result of the Environmental Impact Assessment (EIA) process and on the roles of traditional media and online debates to create framings that legitimize or delegitimize the mining industry. We identify key issues and concerns that are framed as relevant by different actors on different platforms of communication. By frames, we mean ways of selecting and highlighting certain aspects of a perceived reality and to intentionally or unintentionally promote a particular problem definition, causal interpretation, moral evaluation or recommendation (Entman, 1993).

Our discussion is based on newspaper coverage, online debate and planning documents. We employ a case study approach and focus on the municipal-level planning process in Kuusamo, northeast Finland. It should be noted that some of the lessons from the case are directly applicable only to the Finnish planning and management context. Here we focus on the more widely applicable lessons related to public debates. Our study contributes to the critical discussion of the concept of the SLO and the formation of legitimacy.