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# Contemplating governance for social sustainability in mining in Greenland ☆



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#### ARTICLE INFO

Article history: Received 7 April 2016 Received in revised form 25 May 2016 Accepted 14 June 2016

Keywords: Governance Institutional framework Mining Social sustainability

#### ABSTRACT

In 2009, Greenland received greater autonomy from Denmark and the right to elect government and parliament, the former gaining sovereignty and administration over a number of areas including mineral resources. Since then, the development of mining industry has been forcefully promoted by Greenland's self-government. The political discourse of decision-makers has stressed the importance of sustainability in developing the mining industry, and in particular the social component of sustainability. This article analyses the social sustainability approach of national mining policy and the rapidly evolving governance for mining in Greenland. Findings suggest that Greenland has been proactive in establishing an internationally ambitious governance framework for social sustainability in mining. Mining is perceived to be a contributor to social sustainability through increased economic growth, employment and skills development. Government mining policy and governance framework have not always received the support of local communities and in response the legal framework has been further developed to better promote local participation in mining governance. However, the analysis proposes that despite the discourse around social sustainability, mining policy and governance prioritize economic aspects, giving environmental and social considerations a lower priority.

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#### 1. Introduction

This article analyzes governance of the mining industry in Greenland from the viewpoint of social sustainability. The examination takes place at two levels. Firstly, the themes associated with social sustainability in mining are examined by investigating recent government policy and Greenland's Oil and Mineral Strategy. The examination seeks to make known what is expected of mining in terms of social sustainability and what are the related key themes. Secondly, key governance tools for socially sustainable mining are identified and analyzed. Finally, the themes and tools for social sustainability in mining in Greenland are discussed in view of the theoretical framework for social sustainability, presented in Chapter 2.

Governance of socially sustainable mining is a particularly topical issue since the industry is becoming active in new regions around the world. Mining creates excessive demands for institutional framework, and emerging mining countries in particular have documented difficulties in governing mining activities. Industry expansion may take place before adequate institutions are

established or governments may prioritize the development of institutions supporting foreign direct investment as a way to foster economic growth (Bebbington and Bury, 2009; Karl, 1997). Overall, the challenges of integrating tools for social and environmental management of mining into national governance mechanisms have been found to be especially great for developing economies seeking to ensure environmental sustainability while remaining appealing to international investors (Bastida, 2002).

Greenland has a history of interest in mining, and this surfaced more strongly than ever after 2009, when the region was granted with self-government and, among others, administration over mineral resources. Since then, mining has been portrayed as a potential tool for socio-economic development and further political liberation from Denmark. For now, only exploration activities are conducted in Greenland but aim to grow mining into a cornerstone of the economy. As part of preparing for the expected expansion of mining activities, Greenland has been quick to develop and establish a governance framework for mining.

Despite the proactive approach, recent mining policy and governance have faced some criticism. The economic expectations of mining are considered by some as unrealistic and the policy has been accused of ignoring the value of participatory democracy while seeking foreign investment to promote economic stability (Committee for Greenlandic..., 2014, Dingman, 2014, 13). Various shortcomings in the impact assessments of mining projects have

<sup>\*</sup>The article has been conducted as part of the research project "Social license to operate": a real tool or rhetoric? Examining the mining industry in Finland, Australia, and Canada", funded by Academy of Finland, Decision number 281946.

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been mentioned and arguments have been made that development of the raw materials industry could potentially lead to major disturbances for Greenland's social structure and way of life (Bjørn Aaen, 2012, Hansen et al. 2016, Nuttall, 2012). Overall, Greenland's ability to effectively govern the mining industry has been questioned (Smits, 2012).

#### 2. Conceptual framework, materials and methods

#### 2.1. Social sustainability

Social sustainability is a contested concept for which there is no single or widely shared definition. Because sustainability is concerned with the fundamentals of the future of human society, various works analyzing sustainable development indicate that disagreement and discussion are inevitable (Jordan, 2008, 28). Consequently, sustainable development has been proposed primarily as a political concept, highlighting that there is no single answer to questions of sustainability. Instead, questions are to be addressed by the society in a process that integrates various interpretations, views and results to deliver a practical meaning of sustainable development (Farrell et al., 2005, 143; Jordan, 2008).

A short review of academic works indicates that it is easier to find shared themes associated with social sustainability than a common definition for the concept. Common themes include widespread political participation of citizens, a sense of community ownership, and mechanisms enabling a community to collectively identify its strengths and needs, and to fulfil needs (McKenzie, 2004). Similarly, in their work on social sustainability in mining, Suopajärvi et al. (2016) propose two dimensions of social sustainability: procedural and contextual. Procedural social sustainability refers to political participation in the planning and decision-making processes around mining. Contextual social sustainability describes the specific substantial features of the locality, including the historical experiences of the mining industry and the community's vision of the future (ibid). Attention has also been drawn to issues of lifestyles and life practices (Aucamp et al., 2011), with concepts of equity and justice raised (Patridge, 2005). Themes linked with social sustainability are also largely comparable with the concept of sustainable livelihoods (see Chambers and Conway, 1991).

Many scholars suggest that social sustainability should be understood as a process rather than an end state, which may be achieved (Aucamp et al., 2011; Nooteboom, 2007). This approach indicates that social sustainability is not a "yes-no" situation but that it encompasses different levels. Also, an integrated approach, promoting appreciation of the linkages between society, economy and environment is frequently proposed (Aucamp et al., 2011).

The framework for social sustainability in this article draws on the theoretical discussions around social sustainability and governance described above. It employs a practically-oriented approach drawing attention to questions of policy instruments and emphasizes social sustainability as a process. Ensuring local communities have the option of taking part and contributing to planning and decision-making processes is considered vital. Institutional arrangements and policy settings should be used to acknowledge the knowledge and views of local communities as an important part of mining governance along with expert knowledge. Sensitivity and respect towards the local context, including local lifestyles, values and experiences, are likewise essential. Instead of dictated top-down approaches and fixed outcomes, the governance framework should aim to promote flexibility, incorporate local ideas about the future, and have the support of citizens.

#### 2.2. The role of governance and the institutional setting

Governance has been acknowledged as one of the key factors for resource development outcomes (ICMM, 2013). Prevailing institutional arrangements and policy settings have the potential to either exacerbate or alleviate the multiple pressures from mining activities (Everingham et al., 2013, 586). It is the role of governance to steer the processes of social debate and dialogue into an evolution towards sustainable development (Meadowcroft et al., 2005).

Governance can have a variety of meanings but typically refers to the changes in roles of governing, with the resulting mechanisms of governing no longer resting solely on the government (Kooiman, 2003; Van Kersbergen and Van Waarden, 2004). However, the state remains an important governing actor (Kooiman, 2003; Kemp et al., 2005). The state is the only actor with the coercive powers to facilitate the structural changes required to achieve sustainable outcomes (Lundqvist, 2004). Government regulation can be a powerful tool for promoting community participation and environmental assessments are good illustrations of significant state institutions that seek to address sustainability issues in mining (Bastida, 2002; Prno and Slocombe, 2012). Moreover, an inclusive and comprehensive national strategy has been defined a key requirement for effective and sustainable resource management (Natural Resource Governance Institute, 2014, 7).

As with the roles of governing, the methods and expectations of governance have changed. In natural resource governance (NRG) the emergence of deliberative governance has focused attention on the procedural qualities of environmental politics. Deliberative governance accepts the normative hypothesis that broader and more open deliberation in decision-making leads to legitimate and efficient policy outcomes (Bäckstrand et al., 2010, 4). Nevertheless, public engagement in decision-making has its complications (Connelly, 2007). Therefore, discursive processes are supposed to integrate public values with expert knowledge and regulative demands to produce adequate policy outcomes (Renn, 2006).

Developments in NRG, which highlight the various institutional arrangements guiding the use of natural resources by individuals and organizations (Sairinen, 2009, 139), have stressed the need for consideration of social and environmental aspects together with economic issues. These developments are likewise evident in mining governance, where significant shifts focusing on social and environmental issues have emerged (Brereton, 2004; McAllister and Fitzpatrick, 2010). The development of the sustainable paradigm has also played an important role (Prno and Slocombe, 2012).

#### 2.3. Methods and empirical data

This study is based on policy analysis of regulatory frameworks for social sustainability in mining. Relevant policy documents were scrutinized in view of the key themes associated with expectations around mining. Through thematic text and document analysis, the study sought to identify what developments are being made in terms of managing the social and environmental impacts of mining on local communities and how mining is expected to contribute to the welfare of society in Greenland. The regulatory framework and soft policy instruments for mining were then examined to identify the central policy instruments used to promote socially sustainable mining. The data was analyzed in view of the framework for social sustainability in order to investigate the social sustainability approach of the national mining policy and governance framework.

The main sources of empirical data for this qualitative study

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