Note from the field

Mining company performance and community conflict: moving beyond a seeming paradox

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ABSTRACT

While there is anecdotal evidence that social and environmental performance of mining companies is improving, there is also evidence that community – mining operation conflict is increasing, an apparent paradox. This seeming paradox may be explained by systems theory and the difference between internal system signals (mining company performance) and broader system emergent properties (community empowerment). Growing strength and effectiveness of the world's communication system is empowering communities and they are no longer willing to accept development options that appear inconsistent with their values and aspirations. This evolution is being driven by people's desire to have a greater say in their own future and through that, develop a sense of faith in the future. Conflict occurs when that faith is lost or threatened.

A review of Rawls' idea of overlapping consensus as well as the foundation of sustainability/sustainable development ideas is provided as a basis for arguing the need for collaboration and dialogue, particularly when alternative values are at play. Sustainability ideas also point to setting achievement of a net contribution to human and ecosystem well-being over the long term as the driving design and success assessment criteria for human activity in general and mining activities in particular. Moving forward, the key success factor for any mining operation is the creation of relationships with host communities and countries that are characterized by authenticity, respect, integrity, inclusiveness and transparency.

1. Introduction

Population growth, urbanization, climate change, the rise of emerging economies, growing inequity between rich and poor, continued concerns across the world on a range of environmental and social concerns and the change in the world's communication system, are all key aspects of today's rapidly evolving world.

Reflecting this evolution, the mining and metals industry also continues to change dramatically. And within the industry, an increasing number of mining and metals companies have turned their attention to addressing the social and environmental concerns of society. This is reflected in the push for "corporate social responsibility" and concern about "social licence to operate."

Over the past several decades, there has been growing pressure to strengthen company environmental and social performance. Even though laggards still hold back the industry, significant progress is apparent not only from company adoption of

progressive environmental and social policies but also from concrete results achieved documented in independently third-party assured performance reports.

Outside the industry, negative attitudes towards the industry are still strong but scanning of media coverage of mining and sustainable development issues covering the last half of 2013 (ICMM, internal staff research, 2014) signals an overall - though slight - increase in positive perceptions. It is too early to tell if these data signal the beginning of an overall turn around in the public – industry relationship. Perhaps more concretely, international donor organizations, once fiercely resistant to even talking to the mining community are now actively recognizing the potential contribution that mining can make to the realization of development goals in emerging nations.

Yet today, a paradox seems to be emerging. In spite of improved performance, mining operation – community conflict appears to be on the rise. While the number of mines is similarly increasing (Miller, 2014; personal communication) across the world, it is not clear what is behind this apparent paradox.

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The purpose of this brief paper is to explore the apparent performance-conflict paradox and what may lie behind it.

2. Foundations

2.1. The idea of overlapping consensus

Some 40 years ago, John Rawls proposed the idea of "overlapping consensus" in action (Rawls, 1971, 1987). Wenar (2013) offered an illustration. In 1965, the Vatican Council declared that the human person has a right to religious freedom (1965, art. 2). Thus they confirmed that Catholic doctrine supports the liberal right to religious freedom for reasons internal to Catholicism. However, from different perspectives, Islamic doctrine and atheistic doctrine also affirm this same right to religious freedom, each for its own reasons giving rise to an overlapping consensus between these three value sets. In this case, a range of different doctrines related to religious freedom support not just this particular right, but a complete political conception of justice, each from within its own point of view.

Rawls argued that such an overlapping consensus is the most desirable and feasible basis of democratic stability. It is superior to a mere balance of power among citizens who hold contending worldviews. He reasoned that in such an uneasy balance, power might shift resulting in a loss of social stability.

In contrast, with a state of overlapping consensus, citizens affirm a political conception wholeheartedly from within their own perspectives and so will continue to do so even should their group gain or lose political power. So such an overlapping consensus is stable for the right reasons because each citizen affirms a moral doctrine for moral reasons. And doing so is thus each citizen's first-best option given their own beliefs — not a citizen's second-best compromise in the face of the power of others.

Clearly, such an overlapping consensus may not always occur or once established, endure. For example, citizens in some societies may have too little in common and/or extreme doctrines may overwhelm societal institutions. However, there are certainly examples in history which show both deepening trust and convergence in beliefs among citizens demonstrating that an overlapping consensus can be possible. When it is possible, policy, decision-making and action based on overlapping consensus is the best route to social stability that a free society can hope to attain.

2.2. Systems perspective

Fig. 1 below offers a systems perspective underlying the idea of sustainability. It shows people as an integral part of the broader ecosystem.

Starting from the above systems perspective, a number of important conceptual underpinnings provide the foundation for applied sustainability. These underpinnings are summarized below. They found earlier expression and are summarized from Hodge and Taggart, 1992; Hodge, 1995; MMSD North America, 2002; and Hodge, 2006.

2.3. Three key definitions

Three definitions are central to this discussion.

Definition 1. *Sustainability*. the persistence of certain necessary and desired characteristics of both people and the enveloping ecosystem (of which people are a part) over a very long time — indefinitely (modified from Robinson et al., 1990).

The words "necessary and desired" means that this definition is values-based and therefore "open" in the sense that what will be
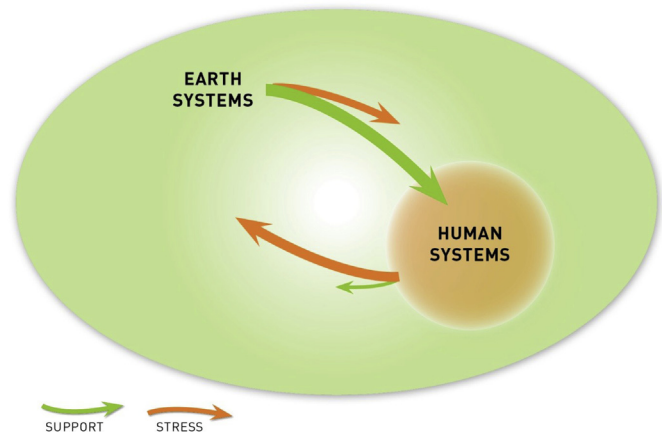

Fig. 1. A systems perspective underlying the idea of sustainability (Hodge, 1995).

identified as "necessary and desired" in any given case will depend on the values being exercised. For example, what a Tanzanian might identify as "necessary and desired" will not necessarily be the same as what a Peruvian or Korean might identify. Such a values-based, open definition is sometimes very difficult for numerate businessmen, economists, engineers and scientists to deal with. Their world is dominated by closed definitions whose interpretation does not depend on the values of the observer.

Because "sustainability" involves the maintenance of certain necessary or desired characteristics of human society and/or the ecosystem, decisions must be made about what is necessary or desired. Making such decisions is value-based and depends on the values of who is deciding. When more than one set of values is implicated, the process of resolving value-based differences becomes critically important. Therefore, in bringing ideas of sustainability from theory to practice, the process of application (how decisions are made and implemented) is as critical as the substance or focus of the decision (the what).

In the mining industry, the above fact underlies the critical need for collaboration and dialogue: it is only through collaboration and dialogue that alternative values can be respected and brought to bear on mining system design, operation and closure. When it comes to values, the experts are the people who hold them whether that be community members, indigenous people, members of civil society organizations, company employees, or public servants.

This lesson has cropped up again and again over the last several decades. Addressing values differences requires process of collaboration and the identification of common ground. And Rawls' idea of overlapping consensus emerges.

Definition 2. **Development**: to expand or realize the potentials of; bring gradually to a fuller, greater, or better state. (modified from Daly, 1989).

Development has both qualitative and quantitative characteristics and is to be differentiated from growth which applies to a quantitative increase in physical dimensions (National Round Table on the Environment and the Economy, 1993).

An analogy may be useful. Following birth, each human being begins physically grow. That growth continues until sometime in the mid-30s when in fact individuals start to physically shrink. However, life goes on and from there until the end of life, each of us can continue — to the extent that we choose — the learning process and ever more hone the particular gifts that are ours. Thus, the development process never ends even though physical growth may diminish and eventually end.