

Global Mining and Local Community Relations

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Abstract: The authors present a summary discussion of an empirical model of project-specific power sharing in a partnership between an international cement company and local community groups. Although the project is ongoing and large amounts of data are yet to be presented, we argue that meeting environmental and business sustainability goals are possible in these types of relationships.

Managing the environmental and social impacts of natural resource extraction is a critical dimension of environmental sustainability, defined in this paper as ‘balancing economic objectives with social and environmental justice’ (Hoppe, Rickson and Burch 2007). Distributive justice is central to social and environmental assessment, and its variants such as risk assessment, even if, as many scholars have found, in the study of resource dependent communities, these concerns remain in a state of ‘cumulative inattention’ (Freudenberg 1976:8, cited in Krannich 2012). We address the question of whether and how equity or justice is or can be an essential dimension of project development strategies by private companies, public agencies and local communities. If it is, then social relations are essential to negotiating differences among parties equally dependent upon a natural resource for benefit of or dependent upon the behavior of the other to measure and mitigate the environmental and social ‘harms’ associated with large-scale resource development. Negotiations, in these circumstances, are formal conversations, based upon policy and law, encompassing economic and environmental considerations deeply embedded in social relations. Conversations occurring in local project sites between company managers, government officials and community groups are often ‘face to face’ and intense, involving historical antecedents conditioning how the actors think, believe and act. If economic and environmental relations are embedded in social relations, then impact management, like sustainability, has to be seen as a dynamic process based upon social interaction between affected parties. This process is often intense and responsive to changes across biophysical conditions, cultural locations and, most importantly, time.

Social equity, like environmental sustainability, is a stated, if idealistic goal of resource development. Concepts promoting equity in development are found in corporate mission statements, public policy and law. They constitute a set of moral

(perhaps aspirational) norms, guiding, but not determining, decision-making. If utopian aspirations are rarely achieved, the real action is found in the conversations and negotiations between project developers, their supporters and those affected. By 'affected' we include those neither directly involved in the planning nor sharing in the benefits. Where distributive justice, among project protagonists and antagonists is at issue, which it always is, justice is logically and necessarily a product of power relations where groups have the ability to influence project decisions. Relations diverge across time and space, commonly occurring when actors are mutually dependent upon a resource, and each other, to secure either natural resource access or conserve its environmental value, or both, and are often, but not inevitably contentious. Tensions develop when actors are mutually dependent upon a resource-for livelihood, economic gain or environmental preservation-but have divergent views on its use or exploitation. Mining companies and farmers, residents of resource-dependent 'boom towns,' exemplify intense social relationships centred on social power (Krannich 2012). They vary from those based almost exclusively upon power, domination, contention and conflict to collaboration, partnership and trust, which determine whether communication between actors, companies and community groups, focus more on their interdependence than their differences.

If, as Porter and Kramer suggest (2011), the 'interdependence of business and society' is what we should be paying more attention to, then company and community relations are a necessary focus. It is here, at local community levels, where the interdependencies and their consequences are in sharpest relief, even more than in national and international scales, where impacts are directly experienced and where social interactions are intensive, personal and enduring. Companies, in these situations, have economic power, but their 'social license to operate' is dependent upon locals legitimizing access through active cooperation or quietly through acquiescence. Companies can dominate and force compliance, but this is costly in terms of time and money (Hoppe et al. 2007). We have what Piven (2007:5) calls 'interdependent power'; that is, company dependence upon cooperative social relations with others, such as groups of locals mobilizing to protect their land, community culture and heritage having "the potential for exercising power, at least in principle [by] 'withdrawing or threatening to withdraw' their cooperation. She adds: 'interdependent power is implicit in much of what we think about power from below. Social trust, essential to productive relationships between actors, is based upon institutional histories and affected by the way that companies and communities, singly and together, respond to natural resource contingencies and to each other.

Bennett (1976:26) reminds us that social relationships are inseparable from environmental and economic activities and justice goals by international and community groups: 'How people and their organizations treat nature depends very much on how they treat each other'. Often at issue is "the privileged access to environmental rights and [natural] resources' that extractive industries have heretofore enjoyed; that is, 'the general practice of distributing the costs and benefits of industry access, in a way that is unequal, yet widely accepted' (Freudenberg 2005:84). This includes access to natural resources as well as 'access to nature's capacity for absorbing wastes tending to bring profits to very few beneficiaries often outside of local project sites: international companies, banks, investors. Project costs are concentrated locally affecting primarily a few groups or spread widely. If this exemplifies histories of company, society and community relations, there is research

suggesting that companies are adopting management structures conducive to sustainable development where economic growth, environmental protection and social equity are central to business planning and decision-making (Rondinelli and Berry 2000: 70). Pressured by law and policy, civil society organizations and local community groups, Hoppe et al. (2007), found that effective power-sharing partnerships with locals contributes to both environmental and business sustainability. Similarly, local community groups mobilized by a concern for equity and their economic futures increasingly see resource development, including its social and environmental assessment, as something to participate in rather than as always 'something done to them' (Hoppe et al. 2008, Fung and Wright 2003, O'Faircheallaigh 1999, Lane and Rickson 1997, Lane et al. 2003).

While we are cautiously optimistic, we know that 'institutional inertia' inhibits positive responses by many companies to the contingencies of large-scale and rapid resource, 'boom' town development: 'Standard operating procedures that have been established over time and within operational models stressing economic criteria for measuring success and failure do not easily incorporate noneconomic objectives' (Rickson and Ramsey 1985:87, Krannich 2012). Rondinelli and Berry (2000) argue that company and community collaboration is essential to sustainable development and central to modern company missions, that law and policy requires them to consult, but not necessarily to 'listen' (Christie 2011). Hoppe et al. (2007) find that such collaboration saves time and money while contributing directly to sustainability. Genuine commitments aside, companies, as organizations, vary in their structural capacities to address social and environmental change. Some companies, perhaps many, lack an effective knowledge base to do so. Although 'going beyond compliance' is a movement across industries, minimal compliance to law and policy is a continuing strategy based upon institutional histories of industry responsibilities. Single members of company groups vary in their responses to local contingencies and in their adherence to company group sustainability missions. Communities and their local groups vary in their economic and social interests and their capacity to mobilize. There is always the question as to who or what group's interests are defined as the public interest. In these circumstances, social and environmental assessment is always, to a degree, politicized. If so, the theoretical and methodological professional norms, as found in Burdge (2004), are variably and often minimally applied by assessors of large-scale resource developments (Lockie et al. 2008).

We study two dimensions of industry and community relations in large-scale resource development affecting whether social and environmental justice goals will be met or at least approximated through conversation and negotiation rather than conflict: (1) Are companies as resource developers committed to and capable of effectively considering and managing social and environmental impacts as part of their strategic project planning and implementation? This is basic to concepts of strategic social assessment and impact management. (2) Are local community members capable of effectively mobilizing to influence, perhaps, delaying or blocking project planning and development over time, from its strategic inception to implementation and operation (3) Are companies and communities able to cooperate sufficiently so that a cumulative assessment of impacts are measured, monitored and mitigated? If local groups are sufficiently mobilized, companies are more likely to activate management and knowledge structures conducive to effective strategic and cumulative assessment of projects.

Local groups, following Lukes (2010:11), influence, sometimes share, in ‘the power to decide what is being decided’, which includes what technical specialists are measuring. Trust and trustworthiness, like power, is based upon interdependence. When present to a sufficient degree, it reduces relationship complexities by minimizing the need for one group to continually monitor the behavior of the other. If there is project specific shared power, there is then a basis for trust not only of each other, but also the research and reports of technical specialists.

The Model

We present an abbreviated discussion of an empirical model of strategic and cumulative assessment based upon our research in Switzerland and Queensland, Australia. Its focus is on relations between a global cement company, local government and groups associated with a critical resource development. The full model and its implications are found in Hoppe et al. (2007). The model is ‘data’ rather than one originally developed by the researchers and ‘tested’. It overlaps significantly with Fung and Wright’s (2003:5) concept of *Empowered Participatory Governance*. It is ‘participatory’, relying upon local, but also organizational commitment, negotiations as long-term conversations, consulting and listening, but its effectiveness, depends upon project-specific shared power between companies and community representatives. ‘It is participatory as it relies upon the commitment and capacities of ordinary people [and company managers] to make sensible decisions through reasoned deliberation and ‘to tie action to discussion’ (Fung and Wright 2003’. Project-specific power-sharing, project-specific partnerships, we found, are necessary for social trust between organizational and community participants. Such partnerships are a foundation for trust of professional specialists as is open access to information and, if power is genuinely shared, the ability to influence what data are collected over time so that cumulative impacts are measured. A principal finding was that conversations in partnerships where power is genuinely shared, rather than crisis driven, are routine, scheduled, and followed mining projects from inception to implementation and beyond.

We used to argue over the ‘technical’ and ‘political’ models of social impact assessment. It is now clear that technical models and the data they generate are subject to disagreement and negotiation over what is measured, when or how often measurements are taken, responsiveness to public or community concerns about impact, data interpretation and how they are acted upon. Power and trust are associated with actor interdependence, in the form of who is able to influence this process or block projects, if so inclined. There are always significant questions of trust between actors such as trust in the work and word of professional specialists providing information on potential impacts. These are deeply grounded in social and political relationships, which include power and social trust as basic dimensions. This is a continuing process, since justice in development is rarely, if ever, fully achieved and is always negotiable as companies, community groups and government agencies decide, separately and together, what they think is just. The initial bias toward quantitative data has given way to rigorous qualitative assessment, but acting on data, predictions from data are still problematic. Social assessment models are, like sustainability, sets of utopian aspirations rather than exact, measurable end-states, particularly when distributive justice or equity is considered Adger (2003:1).

Questions such as these can only be resolved through continual negotiation among affected parties and negotiations based upon project specific shared power and social trust.

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