Sustainability and Social License to Operate: A case of Communities in Mining Areas in Kwale County

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Background Cont'

Sustainable development by Bruntland Commission (WCED 1987)

Development that meets the needs of the present generation without compromising the ability of the future generations to meet their needs

Sustainability gives framework for different applications

Hart and Milsten 2003

Dyllick and Hockerts (2002)

Parking et al., 2003)-capitals

Elkington (1997) measuring sustainability based on triple Bottom line namely

profit—economic prosperity

people-social development

planet- environmental quality

Gives an integrated method of doing business

Background Cont'

Sustainability from a community's perspective Prno 2013 and Veiga et. al., 2001

- Communities will only allow projects when they feel that their vision of sustainability is met. That is social inclusion, economic benefits and ecological sustenance.

- The mining industry presents opportunities, challenges and risks to sustainability.

- Mining companies are being pushed to integrate the concepts of sustainability in all their activities so as to secure environmental and social responsible approach.

Background Cont'

- Shift in governance of the mining sector where civil society, local community and market actors are actively involved in governance of mineral resource together with the state (Prno 2012).

- Voluntary governance schemes driven by the industry and other players to enhance sustainability in natural resource management have also emerged.

Background Cont'

- Mining companies to consider diverse local conditions, especially the local communities to gain approval and acceptance by society.

- Social licence by Thomson and Boutillier (2011) is said to exist when a mining project is seen as having the approval and broad acceptance of society to conduct its activities.

- Gunningham *et al.*, (2004) and Harvey (2011.

- Social, environment and economic benefits outweigh impacts caused by mining activities (Prno and Slocombe 2012)

- Lack of it leads to unrest, work stoppages, security concerns,litigations and

Problem Statement

- Mining has both positive and negative impact to communities

- Push from stakeholders such as commercial banks, local communities, governments and civil society for mining companies to operate responsibly and sustainably (Muduli and Barve 2013).

- Local communities are at the centre of mining activities

- So what are these environmental, social and economic sustainability practices that influence the community to grant social licence to operate? What else influence the community to grant a social licence to operate? This study is aimed at filling this gap.

Problem Statement

- Titanium mining in Kwale gives a good study area of the relationship between sustainable practices and social licence to operate

- This study therefore seeks to explore the relationship between sustainability and social licence to operate from a community's perspective.

- Hilson and Murck (2000) looked at the cooperate level approaches in terms of policies

- Literature has also focussed on perspectives of different stakeholders on sustainable development in mining using the sustainable development goals framework (Tuokuu and Hinson 2019).

- Furthermore literature has also focussed on the origins of social licence and community engagements (Moffart and Zhang 2015)

- Therefore, this study is aimed at exploring the relationship between sustainability and social licence to operate.

Research Objectives

Main objective

- To explore the relationship between sustainability approaches and social licence to operate from a community perspective.

Specific research Objective

- To explore the relationship between environmental sustainability and social licence

- To explore the relationship between economic sustainability and social licence

- To explore the relationship between social sustainability and social licence

- To explore the factors influencing community acceptance of Base Titanium activities

LITERATURE REVIEW AND THEORETICAL FRAMEWORK
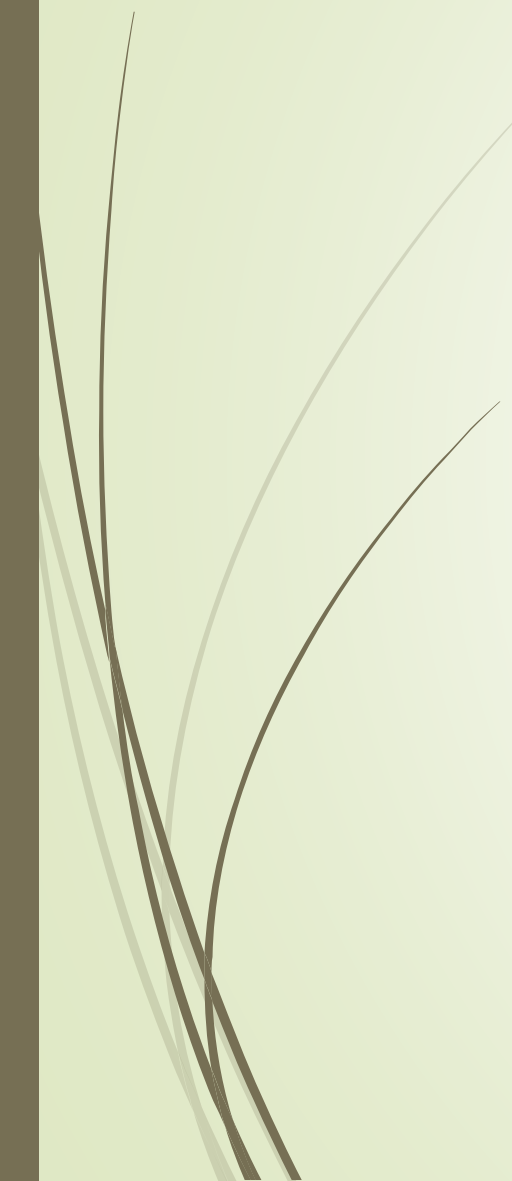
Theoretical Literature

Sustainability in Mining

- Ecologists-Sustainable development should be looked at how a system is able to absorb disturbance and reorganise while undergoing change so as to still retain the same function, structure and identity (Walker 2004).

- Economists- Sustainable development on how productive assets can be maintained and the rent received can be consumed or reinvested divided (Hojem 2014 and Putnam 2000).

- Sustainability in mining should also be examined in the lifecycle of mining (ICMM, 2010; Veiga et. al., 2001).

LITERATURE REVIEW cont'

According to ICMM sustainability framework,

- Environmental consideration should include conducting impact assessments, implementing environmental management standards, rehabilitation, conservation of biodiversity and waste management strategies.

- On the social perspective, there should be consideration of stakeholder and community engagement, community development programs, partnerships, uphold human rights, respect cultures, minimise involuntary resettlements etc.

- Economic considerations include generating profits and maximizing benefits to both shareholders and the community.

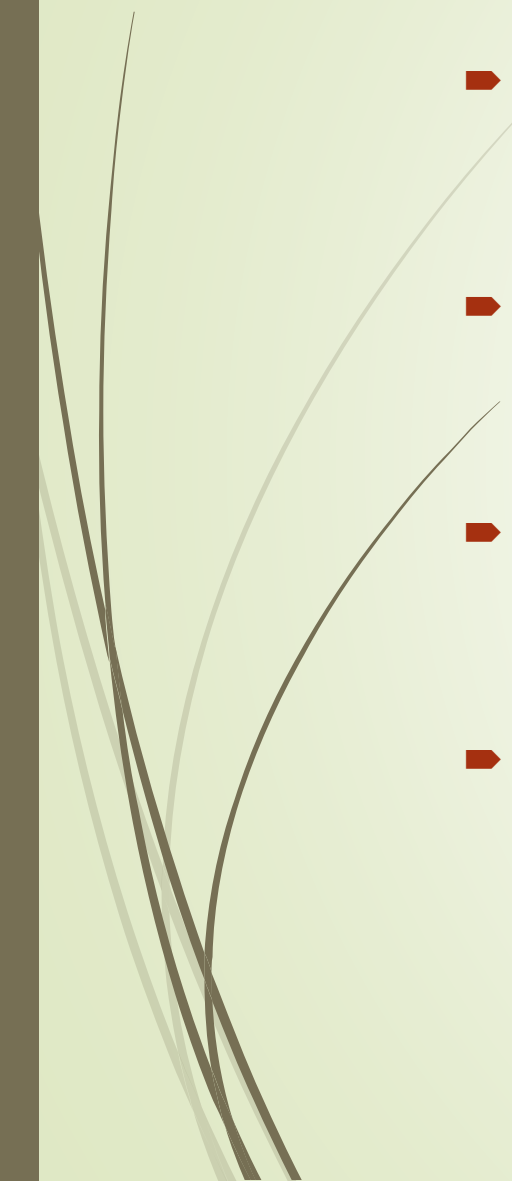# LITERATURE REVIEW cont'

- Sustainability literature in mining also encompasses the issues of mining communities

- Those who are affected through environmental, social and economic impact (Veiga et. al., 2001).

- Sustainable mining community is one that could realise a net benefit from the beginning of the mining through the closure and beyond.

Social license to operate

- Social licence to operate is the ongoing approval or societal acceptance of the activities of an industry. Thomson and Boutlier (2011)

- This acceptability must be achieved on many levels but must be grounded in the social acceptance of resource development by local communities.

- Social license exist in levels I e withdrawal, acceptance, approval and psychological identification

- To achieve all the levels requires the building and balancing of social capital in the company's relationship with the community (Thomsons and Boutlier)

Social license to operate Cont

- Prno and Slocombe (2012) deduce that social licence to operate is both a goal and an institution that must be followed.

- Social licence is also dynamic depending on the context, and varies among stakeholders (Prno 2010, Thomson and Boutilllier 2000 and Prno and Slocombe 2012).

- Both intangible and tangible Nelsen 2016

Theoretical Framework

Sustainable Development Framework

- That development should strive to integrate economic development, social inclusion while maintaining environmental sustainability.

- Sustainable development for mining companies means sharing the wealth created with communities through investments in infrastructure, employment, trade enhancing and revenue generation (Fernando 2017).

- From a community's perspective, (Veiga *et. al.,* 2001).

  - Social sustainability- local capacity building and local governance throughout the life cycle of the mining project.

  - Economically -opportunity to diversify their economy, direct employment, ancillary economic activity, water and power supply transportation and other infrastructure such as education health and other facilities (Veiga et al 2001).

  - Environmentally- ESIA that incorporates the views of the communities through consultation, independent environmental audits and environmental reporting (Mineral Policy Centre 1999)

Social License to operate model by Thomson and Boutilier (2011)

- Social licence to operate as a community's perceptions of the acceptability of a company and its local operations

- There are four levels of acquiring social licence for mining companies.

  - Withdrawal-communities reject the project

  - Acceptance- legitimate in terms of consultation, disclosure of information about the project

  - Approval-when a project is credible through promise keeping, stakeholder engagement, and participation, responsive through grievance mechanism, procedures for hiring, tendering etc

  - Trust-Co-ownership, mutual trust , agreements and collaboration

Empirical literature

- **Sustainable development Impacts of mining activities**

Impacts are felt during the lifecycle of the project

- Environmental Impacts
  - Pollution including dust, water, air noise, health impacts
- Economic impacts
  - Job opportunities, diversification of income, increase in housing shortage and shortage of labour, revenue generation, loss of pasture land
- Social Impacts
  - Participation in decision making, infrastructure improvement, capacity building,, displacement, increase in crime, increase in population, and traffic

Factors leading to community acceptance of mining activities

- *Wang et. al., 2016*
- *Prno 2013*
- *Ofori and Ofori 2019*
  - Impacts of mining
  - Demographics of the community
  - Stage of mining
  - Community institutions and formalized agreements
  - Community participation

Conceptual Framework

- **Independent Variable- Sustainability**
  - Sustained environment, economic vitality and social equity as experienced by the community
- **Dependent Variable- Social license to operate**
  - Operationalized as acceptance of mining activities by the community which is achieved on four levels depending on relationship with the community
    - Withdrawal-communities reject the project
    - Acceptance- legitimate in terms of consultation, disclosure of information about the project
    - Approval-when a project is credible through promise keeping, stakeholder engagement, and participation, responsive through grievance mechanism, procedures for hiring, tendering etc
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Methodology

- **Study Site**

- Kwale County-purposively selected

  - Specifically in Nguluku, Maumba and Vanga areas of Msambweni and Lunga Lunga Sub counties respectively.

- **Population and Sampling**

- Households of Nguluku, Maumba and Vanga.

- A sample of 150 hh chosen because of limited resources of the researcher

- Using quota sampling, the researcher will select 50 hh from each area.

- Generate a sampling frame for each area out of which 50 HH will be selected using simple random sampling since they are homogeneous.

Pop and Sampling Cont'

Ten key informants

- Three employees of base Titanium

- Three chiefs,

- two ward administrators.

- two officials from the civil society

- Four community elders from each area will participate in the focus group

Data Collection Methods

Qualitative and quantitative

- key informant interviews,

- focus group discussion,

- questionnaires and document analysis.

Data Analysis

Qualitative and quantitative techniques.

- Qualitative data will be organized into themes using excel and word table

- Quantitative data will be analysed using SPSS. The data will be evaluated for relevance towards the research objectives.

- Presented using descriptive tables, pie charts and graphs and written into narratives and further developed into a report to provide contextualised explanatory.