



Building Durable Relationships Between Quarries and Communities – Social Licensing in the Natural Stone Industry

W. Eberhard Falck

Scientific Advisory and Consulting Services

Saint-Cloud (Paris) – France

wefalck@wefalck.eu

CONTEXT: PUBLIC PERCEPTION

- Extraction of natural stone is an important economic activity in many communities, but it has a price: (negative) environmental and social impacts
- The picture the public has of quarrying is shaped by the past
- Historically, operators often showed social / environmental indifference and a nonchalant attitude towards impacts
- Quarry development plans have to be embedded into long-term management and a full life-cycle approach right from beginning
- This provides for (but does not ensure) long-term stable relationship with the host community.

SOCIAL CONFLICT vs. SOCIAL LICENSE

- Quarries impact the natural and socio-economic environment
- Different stakeholders value impacts differently, depending on perceived benefits and burdens
- Impacts may lead to adverse reactions among the local population and beyond
- People have a natural and vested interest in the sustainable development of their communities
- Misunderstandings or disagreements over values and their non-respect by some actors are at the core of conflicts
- Quarry projects, not only require (formal) environmental licenses, but also an (informal) ,social license to operate'
- Obtaining ,social licenses' for extractive industries increasingly faces difficulties anywhere in the world

WHY A SOCIAL ,LICENSE' ?

- The term ,social license (to operate)' was coined some years ago to underline the importance of seeking support from the host community
- It underlines that this support may be as important, as formal licensing by the authorities
- The term ,license' has been criticised by the industry as giving the impression of stakeholders having a right to veto any development
- The legitimacy of representation by certain stakeholder groups is debated, e.g. in the case of national vs. regional NGOs
- Quarry operators should view it as an element of economic risk management
- Without the active support or at least toleration by the host community a quarry project may run into difficulties

WHO ARE THE STAKEHOLDERS ?

- A stakeholder can be ANY person or group, who claims to have an interest in a project
- It is important to be 'inclusive' in order to establish trust between the initiators of a project and the other stakeholders
- Obtaining a social license first of all requires that the quarry operators engage with the different stakeholders
- This may involve physically remote stakeholders, e.g. national NGOs



A PROBLEM OF SOCIAL CHOICE

- Land-use options are a problem of ‘social choice’:
 - They involve a wide variety of concepts and criteria
 - Consequences of decisions are distributed in time and have distinctive time profiles
 - There is uncertainty due to natural system complexity and to social indeterminacies
 - It is not possible to respect all rationales for acceptability simultaneously due to difference in norms and values
- A standard economics approach is to seek ‘rational’ justification for stakeholder choices between options based on preference
- Stakeholders differ in their interests and perceived rights or dues and may propose different principles for resolving this problem
- Each future land-use will produce different benefits, costs and risks that will be looked at differently by each stakeholder

THE IMPORTANCE OF TRUST

- Trust and good governance (operator and government) are intimately related
- Trust legitimises decision finding processes
- Trust must be earned - it takes time and effort
- Operators have to go beyond ,buying off' peoples' concerns and rather create win-win opportunities
- Diverging views are not threats, but opportunities to enrich processes and to scope social indeterminacies
- Commitment to a long-term relationship can emerge alongside and through misunderstandings, disputes and conflicts.

NON-ENGAGEMENT – CONFLICT OF VALUES

- Stakeholders may refuse to engage in dialogue due to frustration over not being able to influence outcomes
- A challenge for all stakeholders is to ‘step into the counterpart’s shoes’ and to try to think as the counterpart
- Operators must understand the norms and value systems of local communities
- These norms and value systems provide the framework of rules within which the company has to operate
- Failure to do so will lead to mistrust and rejection of the project

SOCIAL LICENSE PERPETUUM MOBILE

- Although the process towards a ,social license' is informal, it may be helpful to formalise the agreements reached
- Spell out the rules and the respective roles and responsibilities to prevent misunderstanding.
- Agreements are subject to interpretation and perceived breeches when expectations are not fulfilled
- A social license to operate is not achieved once and forever
- Communities evolve, new actors arrive and old ones disappear, which changes the landscape of perceptions and expectations
- A constant investment into maintaing the social license is required, as for environmental and other licenses



CREATING LONG-TERM RELATIONSHIPS

- Whether quarries operate for decades or just a few years – their legacies are to stay for ever
- The host community has to live perpetually with the quarry legacy
- Creating durable relationships between the quarry and the host community is important
- The relationship begins with the first geologist setting foot into an area
- Stakeholders have to be confident that quarry operators do not evade their responsibilities and the regulatory oversight
- They have to be confident that their preferences for land-use and its future development are adequately represented

CONCLUSIONS

- A 'social licence' today is an indispensable precondition for a long-term durable relationship between quarry operations and the hosting community
- The social license is an expression of trust between the different stakeholders and of good governance over the whole life-cycle
- Trust is built on a mutual understanding of each other's motives, norms, and values
- A ,social license' has to be earned constantly

