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Achieving Social License: The Scandinavian Mineral Resources Model

6th International Forum

Mineral Resources in Greece: A Driving Force for Economic Development



ARCTIC CENTRE
University of Lapland

IS THERE A SCANDINAVIAN MODEL OF SLO?

DEFINITION OF SLO (PRNO AND SLOCOMBE 2012)

FOR MINING COMPANIES, REDUCES SOCIAL RISK AND HELPS OPERATIONS CONTINUE WITHOUT COMMUNITY CONFLICT.

FOR LOCAL COMMUNITIES, IMPLIES MEANINGFUL INVOLVMENT IN DECISION MAKING AND THAT SUFFICIENT BENEFITS HAVE BEEN RECEIVED.

SLO emerged in the 1990s as...

- (1) an industry response to the widespread distrust of mining projects and companies – for environmental and social reasons
- (2) an acknowledgement that the principles of sustainability should also apply to projects in developing countries with governance regimes not so responsive to local populations

This is not the context in Scandinavia...

THE NORTHERN CONTEXT

MINING PROJECTS = NORTHERN SCANDINAVIA

- ✓ Population (people) and development much more sparse than in the south

(Ex. more reindeer than people in Finnish Lapland)
- ✓ Extreme climatic conditions
- ✓ Indigenous peoples (Sami) now invoking FPIC more
- ✓ Nature-based tourism
- ✓ Subsistence livelihoods – reindeer herding, hunting, fishing, berry picking



NORTHERN NORWAY, SWEDEN AND FINLAND



Location source: CIA World Factbook

SLO – A TERM NOT UNIVERSALLY USED IN THE NORTH

'SLO' SLOW TO EMERGE IN SCANDINAVIA

Norway: SLO as a term has **not yet entered** the mining discourse. If a company follows the formal rules, it is seen as fulfilling its duties also toward the local community. Regulatory requirements are a much more significant contributor to company behavior than community acceptance.

Sweden: SLO as a term is **rarely used**; although, the concept (social acceptance) is alive and well but typically understood in the context of Corporate Social Responsibility standards.

Finland: SLO both as a term and concept is **commonly used by industry and government** officials...but not by the local population.

Koivurova et al. (2015). 'Social license to operate': a relevant term in Northern European mining? Polar Geography, Vol. 38, No. 3, 1-33.

SLO IN SWEDEN

HISTORY MATTERS

Mining has a long history in Sweden.

Long established companies, both state-owned and private, **have SLO**.

- Why? Community integration...

New companies find it difficult to build trust and gain acceptance even with more comprehensive outreach and environmental review.

If you look at **EIA appeals**, mostly **younger mining** companies.

Adey et al. (2011) summarizes **mining companies' responsibilities** as:

- ✓ Respectful and early engagement with the community using appropriate methods of consultation.
- ✓ Honesty and openness about the anticipated social and environmental impacts of the project.
- ✓ Listen to the view of stakeholders and respond to their concerns.
- ✓ CSR initiatives need to help educate people within the community to select the long-term gains rather than short-term offerings.

SLO IN FINLAND

Bilateral relationship between community and company.

Informal and based on an expectation of certain voluntary behaviors from a company.

Ongoing acceptance to be earned day-by-day.

About **securing the development** of the industry.

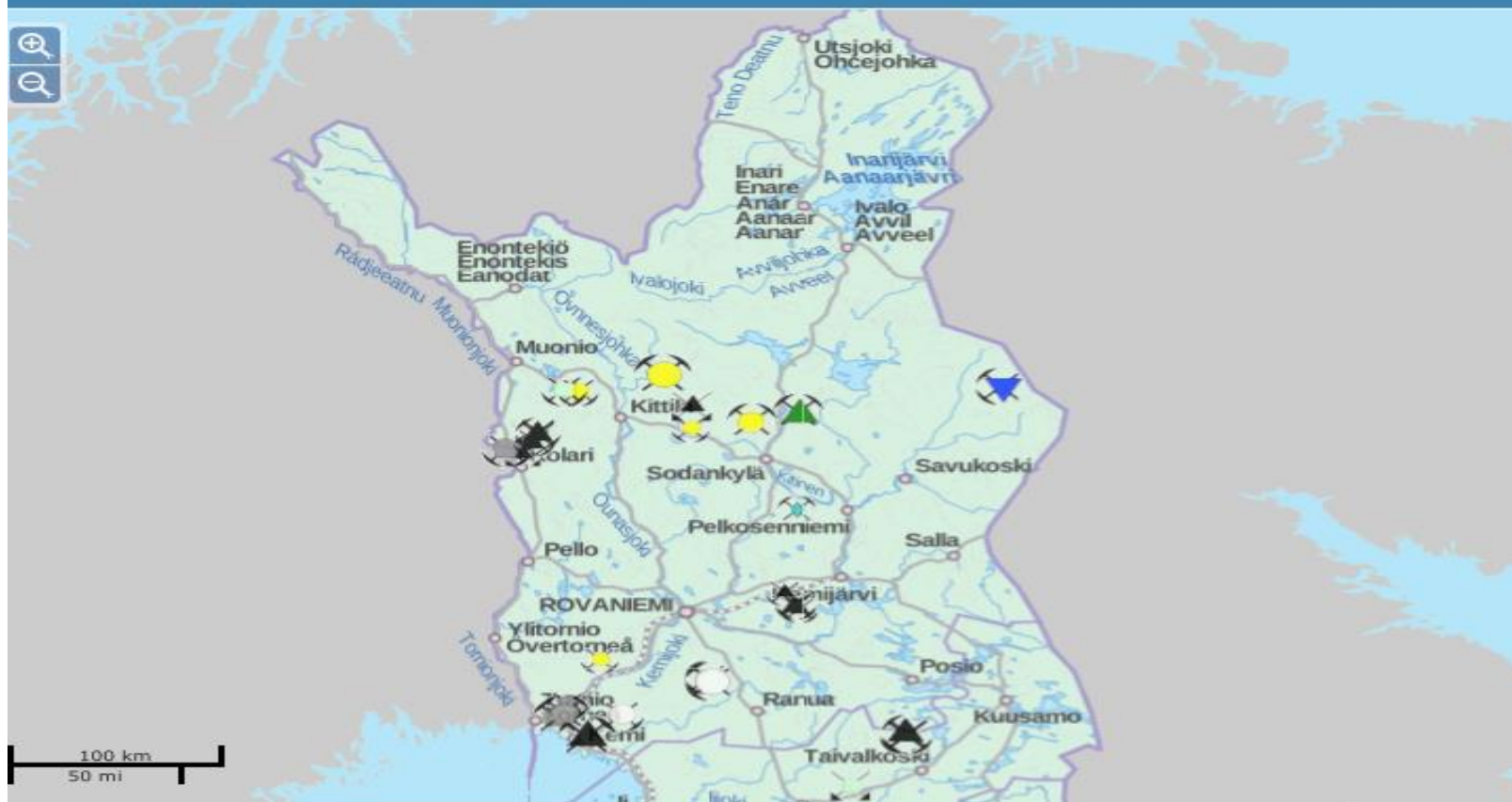
- ✓ SLO was brought to Finland by North American mining companies (mainly Canadian).
- ✓ Catalyst for SLO was Finland's becoming a party to the European Free Trade Agreement in 1994 which opened it up to FDI.



MINING IN FINNISH LAPLAND



PUBLICATIONS, REPORTS AND MAPS | SPATIAL DATA PRODUCTS | PHOTOS | MAP DRAWINGS | ABOUT THIS SERVICE



CHALLENGES TO GAINING SLO - FINLAND

LAPLAND'S UNIQUE FEATURES

Challenge 1: Defining Community

- Who are the locals authorized to give SLO?

People may have Lappish identity and feel like a 'local' although they live outside the region.

Based on Leena Suopajärvi's presentation in November at the Raw Materials University Days conference.



Photo: Leena Suopajärvi

CHALLENGES TO GAINING SLO - FINLAND

LAPLAND'S UNIQUE FEATURES

Challenge 2: History

Communities remember resource exploitation after WWII.

- How does history affect the present?

Challenge 3: Industry Reputation

Authorities enjoy more legitimacy than industry.

- Do permits and licenses also convey SLO?

Based on Leena Suopajärvi's presentation in November at the Raw Materials University Days conference.



Harnessing the River Kemijoki, continuing from 1940s

Photo: Kemijoki Ltd. and Leena Suopajärvi

CHALLENGE 4: WILL SLO EVOLVE INTO A REAL TOOL FOR SCANDINAVIA?

A FOUNDATION EXISTS...BUT SLO NOW HAS TO BE OPERATIONALIZED

- ✓ National legislation (Ex. Finland's new Mining Act - provides protections for Sami and local communities beyond public consultations of EIA process).
- ✓ Protection of indigenous peoples in international law (FPIC).
- ✓ UN Guiding Principles on Business and Human Rights resulting from the Ruggie Commission's work.
- ✓ SLO is becoming more entrenched as communities and interest groups learn through experience.
- ✓ Tools such as Ecological Compensation Mechanisms and Land Use Agreements are available.



Thank you!

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