

EDITOR'S PAGE

A SOCIAL LICENCE TO MINE OIL SHALE

The evolution of modern societies is inevitably connected to the mining of natural resources. On a global economy scale, the benefits from mining and processing of natural resources are obvious and do not need further advertising. However, on a local level we often see that society's concern over sustainability and environmental safety poses a serious risk to mining-related developments. In many cases the industries' full legal compliance with state environmental regulations has become an increasingly insufficient means of satisfying society's expectations with regard to mining issues. Communities



around the world have increasingly come to demand more involvement in decision making for local mining projects, a greater share of benefits from them if they are to proceed, and assurances that mineral development will be conducted safely and responsibly.

In 2002, the International Institute of Environment and Development published the landmark report *Breaking New Ground: Mining, Minerals and Sustainable Development*. The report portrayed a mining industry distrusted by stakeholders and under threat from opposition groups. When read closely, the report reveals an inextricable link between industry's interests and the notion of a social licence. Within the context of a growing divergence from the expectations of minerals-led development, the global mining industry has begun to promote community relations and development functions, essentially under the rubric of sustainable development and corporate social responsibility. Allegedly, these functions provide companies with mechanisms through which to engage and manage their relationships with opposition groups, share development benefits and protect business interests.

However, there is a limited amount of studies specifically focused on social licence. More particularly, there is a need for research that uncovers those factors which lead to the issuance of a social licence in changeable environments that often characterise mining development. According to a recent article of J. Prno in *Resources Policy* (vol. 38, issue 4), five lessons must be learnt in order to earn a social licence to operate a mine: (1) context matters; (2) a social licence to mine is built on relationships; (3) sustainability is a dominant concern for communities; (4) local benefits

provision and public participation play a crucial role; and (5) adaptability is needed to confront complexity. An earlier analysis of J. R. Owen and D. Kemp (*Resources Policy* 38: 1) shows that mining companies have mostly failed to learn the lessons:

“Throughout this article we have argued that social licence has not progressed the sector’s thinking in relation to expectations for development. If companies were successfully responding to the aspirations and concerns of stakeholders in the manner implied by the social licence, one might conclude that the industry’s fears over expectations were unwarranted or misplaced. However, as our analysis has revealed, the contemporary application of social licence is more about reducing overt opposition to industry than it is about engagement for long-term development.”

The almost hundred-year-old legacy of oil shale industry has shaped a negative attitude in society towards any kind of mining activities in Estonia. For decades the industry has neglected the interests of local communities and their concern about sustainability. The poorer social situation in the oil-shale mining area as compared with communities in the neighborhood counteracts not only in the use of oil shale but also other mineral resources. Thus, it is crucial for the Estonian mining industry to improve the public opinion about oil-shale mining and processing. For this purpose, the Estonian oil-shale industry has to gain a social licence to mine oil shale. Mining developments in Alberta, Canada offer good examples of how to earn the trust of local communities and to get the licence to operate a mine. Estonia’s positive experience would decrease opposition to oil-shale developments in the other parts of the world as well.

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