



MINING AS A SUSTAINABLE DEVELOPMENT: SOCIAL LICENSE VS. STATE LICENSE

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ABSTRACT

Objective: The purpose of this study is to investigate mining activity as a sustainable development, based on the social license and the state license, with the aim of systematizing literature on obtaining the license to operate.

Theoretical Framework: This topic presents the main concepts and theories that support the research. Thus, the Social License to Operate and social conflicts stand out, providing a solid basis for understanding the context of the research.

Method: The methodology includes the review of previous research indexed in the Scopus and Web of Science databases. To do this, search strings were applied, using the Boolean operators AND, OR and NOT and applying pre-established search and screening criteria.

Results and Discussion: The main finding of the research is that Social License to Operate must have effective communication between the community and the business sector, so that possible changes related to the needs of the interest groups involved are considered in the future.

Implications of the research: the practical and theoretical implications of this research are that the qualities of the Social License to Operate have the possibility of varying social relations as long as environmental issues are addressed by the private sector and by policies. public.

Originality/Value: It contributes to the literature by showing that the Social License to Operate is gaining importance in scientific research, so that researchers open academic debate.

Keywords: License to Operate, Social adaptation, Social participation, Mining, Social impact assessment, Extractive industries and society.

MINERAÇÃO COMO UM DESENVOLVIMENTO SUSTENTÁVEL: LICENÇA SOCIAL VS. LICENÇA ESTADUAL

RESUMO

Objetivo: O objetivo deste estudo é investigar a atividade mineira como um desenvolvimento sustentável, baseado na licença social e na licença estatal, com o objetivo de sistematizar a literatura sobre a obtenção da licença para operar.

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Estrutura Teórica: Este tópico apresenta os principais conceitos e teorias que apoiam a pesquisa. Desse modo, destaca-se a Licença Social para Operar e os conflitos sociais, fornecendo uma base sólida para entender o contexto da pesquisa.

Método: A metodologia inclui a revisão de pesquisas anteriores indexadas nas bases de dados Scopus e Web of Science. Para fazer isso, foram aplicadas strings de busca, usando os operadores booleanos AND, OR e NOT e aplicando critérios preestabelecidos de busca e triagem.

Resultados e Discussão: A principal constatação da pesquisa é que a Licença Social para Operar deve ter uma comunicação efetiva entre a comunidade e o setor empresarial, para que possíveis mudanças relacionadas às necessidades dos grupos de interesse envolvidos sejam consideradas no futuro.

Implicações da pesquisa: as implicações práticas e teóricas desta pesquisa são que as qualidades da Licença Social para Operar têm a possibilidade de variar as relações sociais, desde que as questões ambientais sejam abordadas pelo setor privado e por políticas. público.

Originalidade/Valor: Contribui para a literatura ao mostrar que a Licença Social para Operar está ganhando importância na pesquisa científica, de modo que os pesquisadores abrem o debate acadêmico.

Palavras-chave: Licença para Operar, Adaptação social, Participação social, Mineração, Avaliação de impacto social, Indústrias extrativas e sociedade.

LA ACTIVIDAD MINERA COMO DESARROLLO SOSTENIBLE: LICENCIA SOCIAL VS. LICENCIA ESTATAL

RESUMEN

Objetivo: El propósito de este estudio es investigar acerca de la actividad minera como desarrollo sostenible, a partir de la licencia social y la licencia estatal, con el objetivo de sistematizar literatura sobre la obtención de la licencia para poder operar

Marco Teórico: En este tema se presentan los principales conceptos y teorías que sustentan la investigación. Así se tiene que, la Licencia Social para Operar y los conflictos sociales destacan, proporcionando una base sólida para comprender el contexto de la investigación.

Método: La metodología comprende la revisión de investigaciones previas indexadas en base de datos Scopus y Web of Science. Para ello, se aplicó cadenas de búsqueda, utilizando los operadores booleanos AND, OR y NOT y aplicando criterios preestablecidos de búsqueda y cribado.

Resultados y Discusión: El principal hallazgo de la investigación radica en que Licencia Social para Operar debe tener una comunicación efectiva entre la comunidad y sector empresarial, a efecto de que, se considere a futuro posibles cambios relacionados a las necesidades de los grupos de interés involucrados.

Implicaciones de la investigación: las implicaciones prácticas y teóricas de esta investigación, son que las cualidades que tiene la Licencia Social para Operar, tienen la posibilidad de variar las relaciones sociales en tanto que las cuestiones ambientales sean tratadas por el sector privado y por las políticas públicas.

Originalidad/Valor: Se contribuye a la literatura al evidenciar que la Licencia Social para Operar está cobrando importancia en la investigación científica, para que los investigadores aperturen el debate académico.

Palabras clave: Licencia para Operar, Adaptación social, Participación social, Minería, Evaluación de impacto social, Industrias extractivas y sociedad.

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1 INTRODUCTION

The growth of the population and the occupation of the geographical space combined with the development and advancement of means of transport, communications and services, the need for qualified labor and the possibility of hiring professionals give rise to a scenario in which companies and communities are increasingly related. However, it is unclear what consequences the installation of an industry at the local level can cause. In this context, the concept of Social License to Operate (LSO) is exposed to seek an ideal of more participatory ventures, creating a close relationship with stakeholders and, mainly, with the affected community, contributing to the minimization of environmental conflicts and for the sustainability of the relations between the groups involved.

When talking about LSO, it can be understood as a conceptual approach, that the organization is dedicated to the participation of communities and interest groups, helping to identify proactive actions that companies can take to increase the probability that it will have the support of the communities where they operate.

The Social License to Operate proposes a systemic vision, integrating social challenges with the usual resources, technological, productive and management challenges and is directly linked to how companies define and understand sustainable development. Thus, this type of informal authorization granted by companies has proven to be important, as both are gaining: stakeholders and the affected population when it is relevant for decision-making, and the company in terms of security and acceptance to start or continue its activities.

For companies to obtain LSOs, they must essentially ensure the project's legal, social, and economic legitimacy.

As if to support the discussion on this topic, the research of the Social License to Operate is divided into two guidelines on how to establish good communication with the parties involved: the implementation phase of the project and the conflict resolution phase.

Thus, social licensing has attracted the attention of companies operating in industries with large social and environmental impacts, and has become an accepted term in the business world, but its acceptance in the mining industry is particularly widespread.

For mining companies, LSO's knowledge is based on the idea that they not only need government authorizations but also a "social authorization" to conduct their business.

There is a great growing sign of mining companies that associate LSO with their discursive buildings related to policies and programs, social or community list, that is, with the universe of vocabulary better known as "social responsibility", "private social investment" and



“sustainability”. In a related way, she has also been welcomed by institutions that support the idealization of social actions of companies.

In this sense, and given that LSO is a relatively recent topic, the objective is in this article the presentation of a systematic review on the subject, in order to analyze how the literature has addressed the subject and contributed to future work and discussions, in addition to contributing to the practical use of the instrument.

The work is organized in topics that seek to provide a theoretical basis about LSO, a description of the methodology and procedures carried out in the research, the results found, as well as its analysis and discussion, culminating with the presentation of the final considerations, finally, we intend to highlight the main findings of the research that was carried out.

2 THEORETICAL FOUNDATIONS

The concept of Social License to Operate (LSO) emerged in the mining industry in the late 1990s, when companies began to realize and better understand the management challenges, political and social risks surrounding their projects. In addition to this, they also understood that it is important to approach and establish a good relationship with the communities affected by mining projects.

The contemporary use of the term “Social License to Operate” (SLO) is intended to suggest that communities related to and somehow affected by mining projects have as much authority as governments to grant permits or “licenses” to mining companies that want to start mining there.

The Social License to Operate is a Community assessment of the acceptability of a mining company and its local operations, as well as its proposal based on the notion that the company can provide or reject outright support to a company and its mining operations.

In addition, it takes an important position as a complementary element to the formal mechanisms of control of companies, such as environmental legislation, in order to ensure the legitimacy of organizations.

It is therefore independent of government-regulated environmental licenses. In other words, the Social License to Operate is informally guaranteed by the society represented by the communities that are affected by the realization of these mining projects that have become fundamental for the good economic development of a country around the world.

It is important to mention that the Social License to Operate should be understood as an important political instrument that relates to the government, the community, professionals and



proponents. It is therefore not a single license, but multiple licenses. This is because it is clear that there is acceptance among the groups involved, it will not only be a matter of trust, but practical and effective interventions will be given in order to mitigate and resolve the negative impacts generated by the mining project to be developed.

3 RESEARCH FRAMEWORK

The information shown below comes from an exhaustive literature review from indexed databases. Here's how to do it:

3.1 BACKGROUND

Before, the process of seeking a social license was different from the attempt to create public or community acceptance for a project in which the boundaries and goals are fully defined before participation. This view explains the difference between SLO's Pro and Prosocial positions in terms of engagement.

Miners can be grouped by cultural background, occupation, employment relationship, and mining technology. Most of the miners are not only Andean immigrants, but also indigenous to the Amazon and foreign miners from China and Russia

LSO researchers always suggest strategies for acquiring and maintaining communication needs before and after project implementation, disseminating information in a transparent manner, and developing conflict resolution mechanisms and processes for decision-making.

Social licensing has a long history in the business world that has attracted the attention of companies operating in areas that have a significant impact on the social environment, but its acceptance is especially popular in the mining industry.

In the context of the social environment, some authors argued that environmental protection concerns affect the emission of LSOs by the community. Companies therefore need to maintain dialog. Clarify mitigation measures and crash compensation

3.1.1 History of LSO

Social leave is a measure that arose as a result of a United Nations initiative in 2004. It required companies, mainly from the extractive sectors, to include indigenous peoples, from



the territories in which they operated their projects, as well as to have their consent before starting their projects. The respective permission provided by the communities involved should be free, advance, and instructed in such a way as to be a valid and correct acquiescence.

The main objective of this initiative was to make it known that it is not enough just to have the legal legitimacy for an activity to develop, in this case, an extractive activity; but that the social legitimacy of its stakeholders is indispensable, emphasizing the population that can be affected by the realization of these mining projects.

In this way, the LSO began to be applied mainly in activities that bring with them a considerable and relevant environmental impact as well as security risks when being implemented in a certain space and time.

3.2 OUTCOME

Today's active social licenses propose a systematic vision to integrate social challenges with conventional engineering resources, production and management challenges where it is durable for companies and a direct link to how to define and understand development.

Obtaining a social license to operate today is the main and very important goal of most miners today.

3.3 KEY REQUIREMENTS FOR SLO

It is necessary to obtain permits from so many institutions to carry out mining operations, which generates delays in investment and losses in the permit process.

Mining companies require that the operating permit be issued within 2 to 6 months of receiving the operating license and increasing the security of the licenses will reduce the risks in mining investments, allowing the mining sector to develop rapidly.

A social license to operate is a de facto requirement for the proper functioning of a mining project, not a legal requirement and requires other legal environmental permits; it is not corporate legitimacy, but its social legitimacy.

To obtain a social license to operate you have to serve the public interest, instead of simply looking for yourself, it can be seen as a basic organizational strategy, the license depends on how it acts in accordance with social norms.



3.4 PERSPECTIVE OF THE COMMUNITIES INVOLVED FOR THE OBTAINING OF THE LSO BY THE MINING COMPANIES

When mentioning the perspective of the communities involved in this type of process of obtaining the LSO, we must address the conflicts that arise from a poor communication between the communities and the mining companies, as well as the agreements between both where commitments are established between the two parties.

3.4.1 Conflict Analysis

The role of the constant dispute to own the greatest amount of profits generated by the extractive industries, as well as the clear difference in information obtained between the parties involved has been the main cause of the number of conflicts that have increased.

3.4.2 Agreements Between the Parties Concerned

When mentioning the agreements between the communities and the mining companies, it is important to emphasize that it is where commitments are established between both parties; although in turn these agreements seem to be correlated with the presence of conflicts.

3.5 BENEFITS OF OBTAINING THE LSO

As a result of obtaining the LSO, mining companies, for the most part, benefit greatly from this activity. This is why mining has become both a social and an economic medium in many countries worldwide.

It is known that people are unlikely to oppose oil and gas projects because they will bring economic benefits to the projects.

There are many studies that show that the communities involved in the mining project give a social permit to operate and that their reputational benefits depend on the quality of the relationship between the organization and its stakeholders, but public relations pay little attention.

The benefits of interest of the mine is the last criterion, trust, is the basis for the transition from one level to another and can take two forms: interaction and institutional.



Trust in interaction arises when companies and their management listen, respond, deliver on promises, engage in interactions, and demonstrate interaction. On the other hand, trust in the institutional is defined as the belief that the consequences of the intentions of others, in this case mining companies, will be appropriate from the point of view of the community involved.

3.6 STUDY OF THE OBTAINING OF THE LSO IN PERU

The LSO in the Peruvian government has attempted to implement a plan to deal with the chaotic expansion of small-scale mining in the Amazon. However, this plan has been refuted, hindered and interrupted by the miners themselves.

In this article we present a comparative analysis of a case study of three mining operations in Peru.

In Peru they suggest that mining projects start with stakeholder normative theory and then move to instrumental and descriptive theory. However, there is little research on how these three stakeholder theories relate.

These miners have built up know-how and know-how on alluvial gold mining.

3.7 IMPLICATION IN SOCIAL CONFLICTS IN THE MINING SECTOR

Over the years, the mining sector has presented several significant changes compared to its beginnings.

The function of the Social License to Operate is to focus on the resolution of social conflicts generated by the company and to serve the most socially vulnerable minorities such as: poor, women and indigenous peoples. This is important because people are often more interested in the environment than in society.

So, it could be said that the main objective of the LSO is to address the social disagreements that arise in the process of obtaining this permit.

In fact, there are social and political conflicts between groups of minors, especially with regard to formal and informal concessions and the maintenance of industrial relations. Conflicts also exist between mining and non-mining groups in relation to property, land use and pollution, but liquidity and social and professional cooperation are also important.



3.8 THE SOCIAL AND ENVIRONMENTAL CONTEXT

In the socio-environmental context, some authors argue that environmental concerns affect the emission of LSOs by the community, so companies must maintain a clear dialog on the minimization and compensation of shocks.

In the case of large-scale gold mining projects for development in agriculture and forestry, such conflicts often revolve around acceptance or rejection of mining and those who refuse to extract cultivated land and its farmers,

Thus, in the socio-environmental conflict, social licensing is a well-founded story in the business world that has attracted the attention of companies operating in the advanced social environment, but its acceptance is particularly popular in the mining field.

4 RESEARCH RESULTS

As a result of the research, it is evident that the LSO must have an effective communication between the community and the business sector, so that it is considered in the future and together with that, it contemplates possible changes related to the needs of the interested groups involved in this process.

On the other hand, it is also important to mention that the attention paid to the environment in its context focuses on the resolution of disagreements and social aspects provided by the company, as well as on the concern and service to the most socially vulnerable minorities.

In order to obtain the LSO, it is necessary to develop a more strategic position, not to be reactive and compensatory. Furthermore, it is essential to develop a specific and widely recognized standard for the public to which it will be presented.

5 ANALYSIS AND DISCUSSION OF RESULTS

All the information that has been collected has been grouped by topic according to its relevance. This grouping arose from what the articles reported as well as this was in relation to the purpose of the investigation is what was to analyze how mining companies can achieve the license to operate.

This is how it was decided to address in the framework of the research the background, the conjuncture, the fundamental requirements for obtaining the LSO, the perspective of the



communities involved in obtaining the LSO by mining companies, the benefits of obtaining the LSO, the study of obtaining the LSO in Peru, the implication in the social conflicts of the mining sector and the LSO in the socio-environmental context.

6 GENERAL CONCLUSIONS

This systematic review shows that the local state, especially institutions designed to promote citizen participation in local governance, can play a crucial role in determining whether mining companies can operate and how they should operate.

In addition, in this document it was presented that the LSO is a dominant factor for the environmental regulation of mining companies when carrying out their extraction activities and also that the LSO has too important a role in highlighting caveats that are somehow neglected or even ignored at the time of obtaining this permit.

The qualities that LSO has have the possibility to vary the way in which social relations and environmental issues are treated by the private sector and also as part of public policies.

It is evident from the results presented in this document that the issue of LSO is gradually gaining importance in scientific research and this is significant for researchers in relation to this area, this is how the systematic review of the literature carried out in this document is crucial for future research on this topic or its derivatives.

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