The conventional approaches by multinational companies in Africa’s extractive industries to deal with local communities are insufficient. To the benefit of all parties, companies should work towards gaining social licences to operate.

In mineral rich terrains in Africa it is customary for multinational companies in the extraction industry to provide compensation to people living near or at the mining site for the use of or even damage done to their land. Typically, compensation is provided through corporate social responsibility (CSR) programmes with the aim of social and economic development, such as the provision of schools, scholarships or health centres.

**RECOMMENDATIONS**

In addition to host countries’ legal requirements, multi-national mining companies should develop a social licence to operate approach, which includes:

- Partnering with local communities in decision-making related to the land on which the extractive industry operates.
- Providing extractive industry training, education and employment to local community members.
- Institutionalising long-term engagement to accommodate developments and grievances of all affected parties over time.
It is, however, vital for multinational mining companies working in Africa’s extractive industries to broaden their approach beyond the conventional paradigm of compensating people. They also need to work together with communities living near the mining operation towards gaining a social licence to operate (SLO), as it comes with important economic benefits for the companies while ensuring sustainability and improved living conditions for the communities. The communities grant the SLO when the company enjoys a broad and on-going approval for their operation in the communities.

Social licence to operate

A social licence to operate is established in addition to the legal requirements of the host country. It requires more interaction between the companies and the communities than the conventional CSR approach, which risks reducing local communities to passive recipients. The most important feature of a social license is that it builds on a mutual relationship in which mining companies treat local communities as partners and cooperate with them to ensure that the mining operation will benefit all. An additional four features are important when establishing an SLO:

- The social, economic, political, religious and environmental context for the operation is important
- Sustainability is a dominant concern for the community
- The local communities must benefit and be directly involved
- The operation must be adaptable to changing circumstances, e.g. environmental changes, climate changes, mobile community members returning and leaving.

Ensuring a social licence to operate will, to a greater extent, prevent local economic losses, rights abuses and conflicts, which have otherwise hit mineral rich communities around the world. In the Karamoja region in Uganda, where I conducted extensive fieldwork, people’s rights are violated, promised benefits are absent, and conflicts over land and resources are on the rise. Establishing an SLO provides for more sustainability and improved living conditions, while also potentially reducing economic risks for the company, as it leads to fewer protests, less resistance and less violence at production sites.

Establishment of SLO

The local communities continue to live in the area after the mining operation is finished and are dependent on sustainability for themselves and future generations. This sustainability is ensured through protecting the existing livelihoods and by involving local communities in the new opportunities that the mining presents.

Representatives from local communities should be involved in decisions concerning land use, e.g. demarcations of space, terms of use and initiatives towards restoration of the environment. Community members are the primary source of knowledge of the social, cultural, and environmental context of the mining operation, and therefore a vital partner. In Karamoja, this would include marking space for cattle grazing corridors, ensuring shared access to water resources and infrastructure as well as carrying out religious rituals to remove sacred shrines.

Companies should offer community members employment under proper working conditions. In that way the industry will help improve the local socio-economic situation. Providing training within the field of the industry will ensure local know-how and sense of ownership, just as companies can provide scholarships to higher education levels relevant for the industry, e.g. engineering, geology and accounting. This ensures a firm anchoring of the industry among the local communities affected by the mining operation.

Finally, companies and local communities must maintain the dialogue after an initial agreement is reached. Circumstances are changeable and local communities are diverse. All partners to the SLO must respond and adapt to change and challenges to the agreement.

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