

EXECUTIVE SUMMARY

Granting a Social Licence to Operate: Public Opinion and Mining in Remote/Rural Communities

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EXECUTIVE SUMMARY

The Government of Canada (as well as the provincial and territorial governments) believes that the development of mineral resources can improve Canadians' quality of life, if this development is undertaken in an environmentally, economically and socially responsible manner. However, two conditions can be seen as necessary pre-conditions for the mining industry to develop mineral resources in a given area: securing a social license to operate at both the local and overall societal level and recruiting human resources to carry out the development.

During the 2008 Energy and Mines Ministers Conference (EMMC), Ministers asked that the InterGovernmental Working Group on Minerals and Metals (IGWG) develop a work plan related to the image of the mining sector for discussion at the 2009 EMMC. This work plan, in part, utilizes public opinion research to help gain a better understanding of how Canadians living in remote or rural areas that are near current or proposed mineral exploration or development areas perceive the mineral exploration and mining industry and how their perceptions influence the degree to which they are willing to grant the industry a social license to operate, as well as investigating the perceptions of national opinion leaders on mineral exploration and development issues.

The findings of this study will be used to inform the development of recommendations to the federal, provincial and territorial Mines Ministers at the 2009 EMMC.

The study utilized a qualitative methodology; Environics conducted a series of 12 focus groups with residents of areas with mining industry involvement, 34 in-person in-depth interviews with key local stakeholders, and 18 telephone in-depth interviews with national opinion leaders on mining-related issues.

Key Findings

SOURCES OF INFORMATION

Participants in the focus groups from areas where there was not a history of mining and/or a great deal of local industry involvement generally acknowledged that they did not know very much about mineral exploration and development. Participants in the other centres often had more knowledge of the industry (especially on the exploration side). However, their knowledge was not always accurate.

Personal experience (and that of friends and family) is a key source of information for all participants, particularly in western Canada communities with a mining tradition (most notably La

Ronge and Yellowknife). Word of mouth within the community was also frequently mentioned. For the most part, national media and government were *not* significant sources of information.

Participants place a lot of stock in their own experiences and that of family and friends, seeing these sources as an “early warning” of impending news (such as layoffs). However, no other source is seen as completely reliable. Environmental groups were rarely mentioned spontaneously and were often viewed as “having an agenda”, as were the mining companies themselves (as well as the mining industry as a whole).

Local stakeholders felt they had “privileged access” to information and can get information not available to the general public. However, it was difficult to assess the accuracy of the information they did have. Overall, those involved in local government or who were working in educational institutions had more knowledge of the industry (extending to the management of the environmental impacts of mineral exploration and development) than did those from the local business community. However, personal experience and that of friends and family was also key with this group, especially those who have deep ties to the community.

The “privileged information” that stakeholders cite often comes from direct discussions with company representatives (or, somewhat less frequently, with government). Stakeholders generally view this information as reliable. At the same time, stakeholders share the general public perception that no source is completely reliable. Like the general public, stakeholders do not tend to place a lot of faith in environmental groups, which are often seen as “anti-development”.

PERCEPTIONS OF MINERAL EXPLORATION AND DEVELOPMENT

Positive aspects. Employment is mentioned first and most frequently in discussions of the positive aspects of mineral exploration and development, in terms of the **skilled, high-paying employment** created by the mining industry and the more highly-educated and better-trained workforce in the community that results. This is seen as a long-term benefit to the community.

Other positive impacts of mineral exploration and development cited include:

- Spin-off business development;
- Community growth;
- Infrastructure improvements; and
- The fact that it opens up wilderness for recreation (mentioned much less frequently)

Negative aspects. Two elements were most notable in discussions of the negative aspects of mineral exploration and development: **Harm to the environment**, in terms of air and water pollution (both during the lifespan of the development and afterwards), damage to landscape and habitat loss for wildlife.

The other negative aspect of mineral exploration and development that was frequently mentioned related to **social problems**, most commonly related to drug and alcohol abuse, but with increased crime also mentioned. Other negative aspects mentioned and discussed included:

- Noise;
- Increased traffic; and
- The fact that the benefits from mineral exploration and development are only short-term, while the negative impacts are often longer-term.

PERCEPTIONS OF INDUSTRY

Overall perceptions of the industry are mixed, but tend to be positive. Most see mineral exploration and development as necessary. Some see it as a “necessary evil”, but most do not qualify in this somewhat negative way. Those who believe mineral exploration and development is necessary mainly, but not exclusively, point to economic reasons.

Perceptions of the mining industry are often *initially* shaped by past negative environmental experiences, such as Sudbury, the Long Harbour phosphorus plant, the Equity silver mine, the Giant gold mine and Uranium City.

Even if perceptions of the industry are grounded in these past negative experiences, there is a strong perception in all centres visited that practices have improved to the point where the environmental impacts are much less severe. Most participants in both the focus groups and stakeholder interviews consider the current level of environmental impacts to be acceptable.

Some (albeit a minority) felt that mining was being held to an unfairly high standard compared to other resource-based industries, particularly in terms of environmental impacts. The majority opinion was that mining is no worse (and may even be better on occasion) than other resource-based industries.

In sum, participants generally felt that the positive impacts of mineral exploration and development (mainly the economic benefits) outweigh the negative impacts (mainly the environment and potential social problems).

RESPONSIBLE PRACTICES

All target audiences noted that, first and foremost, companies have to be **transparent/ honest** and **up-front** with the local communities where developments are taking place. This means providing as much information as possible about the entire life-cycle of the development *at the beginning of the process*, so as to secure **informed consent** from the community for the development. While this was seen as particularly critical for First Nations communities (and is mandated under the duty to consult), it is also true of non-First Nations communities. This informed consent includes the right to say no – the development will not take place. Mining/exploration companies must be prepared for the fact that aboriginal communities may not want exploration/development on their land and their wishes should be respected, even if that means a potentially profitable development does not go ahead.

Other key aspects of a responsible approach cited include:

- Mitigating environmental impacts as much as possible;
- Having a local presence **from the beginning** (such as local offices where community members can come and ask questions about the development).
- Hiring and purchasing locally;
- Being involved in and contributing to the local community.

In sum, the benefits of the development must accrue to the **local community**, not just to the companies and the provincial/territorial or federal governments.

The focus group sessions with the general public revealed a mixed assessment of the mining industry in terms of how much it is currently exhibiting responsible practices. It is fair to say that industry is seen as more responsible now than in the past, particularly on the environmental side. However, participants commonly noted it is only public/government pressure that has led to improvements in this regard.

Local stakeholders in the communities tend to have a more positive view - they generally feel industry is behaving responsibly now, as much as it is reasonable to expect.

National opinion leaders tend to feel that the level of **environmental** responsibility has much improved, but they still give relatively low marks to the industry in terms of engagement in the community and being up-front, open and honest with the community.

Focus group participants generally felt that government (especially federal) does support a responsible approach as far as **environmental** responsibility is concerned. However, most did **not** feel that government (at any level) was doing enough to support the other elements of a responsible approach.

Local stakeholders generally felt that the current level of environmental regulation was adequate; however, many noted that the environmental review process was unnecessarily onerous and was “scaring off” development that was needed in the community. At the same time, local stakeholders noted that government has to “hold [companies] feet to the fire” more than they currently do, in terms of making sure companies keep their promises to the local communities.

National opinion leaders were much **less** likely than local stakeholders to feel that the current level of environmental regulation made it too difficult for development to proceed. However, they share the views of local stakeholders and the general public that government at all levels does not really support the industry in responsible practices outside the environmental sphere.

For the general public, perceptions as to whether or not industry is listening to their concerns vary by area. In some areas (like Placentia/Long Harbour and Kingston/Sharbot Lake), there is an overall sense that the local voice is not being heard. Others feel that companies have been largely responsive to local concerns.

Local stakeholders are more likely than the general public to feel that industry is listening to local concerns. They generally feel that industry is doing “the best it can”, in terms of responsiveness. The general public is often unclear about how the roles of the federal and provincial government differ in terms of mineral exploration and development. Generally, the provincial government was seen as having a larger role, with the role of the federal government limited to environmental assessments.

In addition, in most of the communities assessed (particularly Placentia/Long Harbour, Smithers and La Ronge), a general sense of alienation from the provincial government coloured perceptions on this issue. In western Canada in particular, there was a strong sense that the provincial government was interested in the resources in the north, but not in the communities there. Thus, for the general public, although perceptions were somewhat mixed, most did **not** feel that government

(at the provincial/territorial or federal level) was listening to their concerns. An exception is concerns expressed by First Nations communities.

As was the case with industry, local stakeholders are more likely to feel that government is listening (or, at least, they are more likely to be more understanding about the fact that government is not listening).

Most participants (particularly among the general public and local stakeholders) see the main role of government as a **“watchdog” of industry**. However, there is some suspicion that government can effectively play a watchdog role when it is perceived as generally supportive of the industry because of the economic benefits that come from mineral exploration and development.

As a kind of compromise, there was some support for panels composed of industry, environmental groups and government to oversee projects. Communities with more of a history of mining (such as Yellowknife and La Ronge) tended to be less supportive of this type of approach; they were more comfortable with government and industry as the only players needed.

Governments' other key role was to **represent the interests of the local community**, with a key role of government seen as “holding [the company’s] feet to the fire” – making sure that companies operating in a community act in the best interests of the community. Most local residents do not give government high marks in this area, nor do national opinion leaders.

Most study participants were vague as to how they saw the role of government changing in the future, or how they felt it should change.

Local stakeholders often drew a distinction between the **rigour** of the regulations (which they saw as appropriate) and the **number** of regulations (which they saw as too high because of a lack of coordination between the different regulatory agencies), although most acknowledged that government pressure has led to environmental practices that are **much** more responsible now than in the past.

FUTURE ROLE OF INDUSTRY

As was the case with the future role of government, study participants were generally unable to articulate what they saw as the future role of the mineral exploration and development industry. However, there was a general feeling that environmental practices are generally improving over time due to government and public pressure.

The challenge to industry was generally seen as moving ahead in terms of community engagement and management of the social problems often associated with mineral development. Some (particularly the national opinion leaders) felt the industry has a long way to go in this regard.

In terms of First Nations communities, the duty to consult was seen by many (particularly the national opinion leaders and First Nations communities themselves) as heralding a major change in the way the industry engages First Nations communities in terms of future mineral developments.

SUPPORT FOR COMMUNITIES

Participants in the focus group sessions generally acknowledged up-front that people should move to mining communities with their “eyes wide open”, because these developments, by nature, have a limited lifespan. That said, some participants felt that, at end of life-cycle of development, workers should be offered relocation to other company sites, if at all possible. In some cases, participants discussed whether or not it was the responsibility of companies to **retrain** workers. However, most felt this was not a reasonable expectation.

In terms of supporting communities **during a recession**, most felt that companies did not have any particular responsibility outside running the development in the most responsible manner possible.

Generally, government was seen as having a greater responsibility to the community than was industry. In terms of end-of-life-cycle support, a key role for government was in providing funding to help communities transition from “mining town”. This funding would be used to attract new industry/diversify the community, market the community to a new audience, or “re-purpose” it. Some noted that any funding of this type would only be transitional in nature.

In terms of support for the community **during a recession**, a key focus was placed on providing funding for training, as workers laid off during a downturn could use that opportunity to upgrade their skills. The goal is to have a workforce that is best positioned to take advantage of the next upswing. Funding during a recession to help encourage diversifying the town was also encouraged by local stakeholders and national opinion leaders. The more diversity, the better protected communities are from boom-and-bust cycles.

ROLE OF NATIONAL MEDIA IN COVERING MINERAL DEVELOPMENT ISSUES

Some national opinion leaders (the only group asked these questions) do not see the media as having any particular role, other than simply reporting the news. Others see the media’s role as

“investigative journalism” – finding the truth that they feel lies behind what industry (and government) are saying publicly. Those who saw this as a key role generally did not feel this role is being properly filled right now.

Some opinion leaders noted a dichotomy between coverage on the business pages (which they generally characterized as mostly positive, but maybe too focused on “cheerleading”) and coverage on the news pages (which they saw as oriented towards “controversial” issues or environmental problems and therefore mostly negative).

GROUPS SHAPING PUBLIC DISCOURSE

Many national opinion leaders (the only group asked this question) found it difficult to name groups shaping the public discourse on issues related to mineral exploration and development, as they felt there was very little (if any) “public discourse” at a national level. However, some groups were mentioned, including:

- Industry (in particular, the Mining Association of Canada (MAC) and the Prospectors and Developers Association of Canada (PDAC)), although industry is generally seen as being better at talking to itself than to the general public.
- NGOs (particularly environmental groups), with some national opinion leaders noting that some NGOs were more credible than others (even though there was little agreement as to which groups were most credible).
- First Nations leadership (particularly the Assembly of First Nations (AFN).
- Academic community (although this group was not mentioned by opinion leaders who were not, themselves, academics).

The national media were almost never mentioned in this context, nor was government.

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