Engaging with Extractive Industries, Can it work?

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Introduction

1. Resources are being depleted and extractive companies are now targeting resources which are sitting in priority or protected areas and on land unmarked for other needs such as agriculture.

2. Companies engage in extraction of resources for profit and not as a philanthropic exercise.

3. The maximisation of benefit overshadow communities needs

4. Engaging extractive companies driven by profit requires a special negotiation skill, information and determination.
Why is engagement necessary?

• Mining operations disorganise the life of communities.
• Communities expect to draw benefits from the operation (tend to be capital intensive and use little unskilled or semi-skilled labour.)
• They are geographically concentrated and create small pockets of wealth that typically fail to spread.
• Social and environmental problems that fall heavily on the poor.
• Post extraction consequences
When Does engagement work?

1. Engagement can only work if all the parties communities, government and corporates have clearly defined what they want.
2. Transparency must be guaranteed the engagement process
3. Continuous communication between the three key stakeholders is imperative
4. The rules of the game must be clear—legal and institutional framework
5. Companies most of the time agree to engage with communities under pressure or when the investment is under threat (Marikana)
Why engagement fails?

1. Companies in the pursuit of their interest (maximisation of benefit) deliberately pay lip service to community issues
2. For companies license to exploit gives power to undermine community rights
3. Poor and unclear engagement structures (corruption)
4. Collusion between companies and government
Is constructive engagement?

• Extractive companies must accept the principle of continuous free, prior and informed consent throughout the life of their operations.

• Ensure that affected communities are fully informed of both hidden and visible impacts as well as both direct and indirect costs at all stages of the mining project.

• Mining companies must consult and involve communities in risk mitigation.
Is constructive engagement?

• Communities have the right to organise in any form to monitor –companies must agree to this.

• Companies must desist from creating obstacles to such initiatives.

• Communities should not only be compensated for the loss of their homes, fields, grazing lands and graveyards, but should also receive development funds so that they can cope with the huge changes resulting from loss of their land to mining operations.
Recommendations

- Government must act as fair intermediary between local communities and the mining companies.
- Mining companies must respect the rights of each individual affected by their activities and not base decisions on the ‘rights of the community’.
- Mining companies must recognise the primacy of community, environmental and human sustainability over the sustainability of their own projects.
- Governments must lead the engagement process through clear established rules (compensation, resettlement, cultural impact, loss of land).
Recommendations

• Relocation and resettlement must be based on the understanding that resettled communities will be better off after resettlement.

• Resettlement must take into consideration the social and anthropological spatial cosmology of the communities so that the social fabric and cultural identity of the communities are preserved.

• The right of communities to participate in, and benefit from the resources on their land cannot be denied on the basis of relocation.

• Engagement with communities must continue throughout the life of the mine on all issues of possible concern or interest to people in those communities.
conclusion

• Engaging with extractive can work and is starting to work

• Arrangements where affected communities are excluded and not consulted cannot continue

• Mining Communities across the continent are being organised and mobilised to engage
Community sensitization in
Sensitisation of traditional leaders, Zambia
Thank you

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