

# MINING AND LOCAL DEVELOPMENT; SELECTING THE RIGHT PATH

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Achieving positive local impacts from resources projects is one of the most challenging areas of development policy and practice. The implementation of investments in mining and associated infrastructure is often affected by conflict while the value of outcomes for nearby communities is frequently low or contested.

This issue has been the subject of considerable attention in recent years. Growing private sector interest in corporate social responsibility and extensive work by advocacy organisations, have resulted in initiatives such as the World Commission on Dams and international research programs including the Corporate Engagement Project. Knowledge generated on better policy and practice in this area includes improved approaches to community engagement, the design and implementation of social and economic development programs associated with mining and better approaches to measuring and enhancing the local impact of projects during and after their completion. In designing improved approaches to the subject, there are five key areas of work:

## DEFINING DEVELOPMENT OUTCOMES

A frequent problem in working out how a mining project and its associated infrastructure can be implemented is that the mine company and the affected communities rarely reach a shared understanding on the scope and nature of local development. Understanding development priorities and goals is a prerequisite for negotiating how they might best be achieved.

## COMMUNITY ENGAGEMENT

The platitudes of better communication and building rapport between mine companies and affected people mean little if the fundamental understanding of the different perspectives and priorities between the two groups is poor. For example, companies can lack self-knowledge on the way their conduct is perceived by communities while the complexities of local decision-making arrangements and cultural considerations may be hard for local people to describe to outsiders. Fundamental cross-cultural understanding is essential to achieving better development outcomes at local level.

## BENEFITS DISTRIBUTION

The way in which benefits are packaged and shared with local people is also a subject prone to over-simplification. Benefits include financial transfers, employment opportunities, local facilities and amenities, community programs and share equity in the company itself. The way in which packages are tailored to individual, household and community needs is complex. The end result is potentially the most direct and positive impact on local development and yet it often receives only superficial consideration.

## RESETTLEMENT

The degree to which resettlement is an issue in mining projects varies according to location. In countries such as India, where thousands of families may be subject to resettlement, it is the main challenge. Such resettlement is very difficult to negotiate and achieve in a way that reduces negative impacts on affected people.

Of course, the relocation of families and communities away from their original homes is not just a matter of physical upheaval. Livelihoods are displaced, historical and family connections lost and cultural and religious impacts will often be felt. The implications for the mental health of affected people may be overlooked.

## CONFLICT MANAGEMENT AND RESOLUTION

When it comes to mining and local development, skills in planning for and managing conflict are frequently under-valued. Mining and local development; selecting the right path Steve Fisher As a result, situations of conflict can escalate into the kinds of polarised disputes that are increasingly common in locations where the interests of governments, mining companies and local communities collide.

Strengthening the knowledge, skills and experience of all parties to mining projects is necessary if benefits to local development are to be improved and mining investments are to avoid the pattern of failings by which they are often characterised.

Shortcomings exist in advice and materials on structured approaches to the subject. In choosing the right path to navigate this field, each of the five areas described in this area merit separate consideration. For further support and information, contact Community Works.