



The Social Contract for Mining: Where are we going?

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For much of the 20th century the social contract for mining – the unwritten agreement with society that allows mining to operate – could be described in terms of four elements: minerals for society, jobs at the mine, royalties and taxes for the state, and profits for the owners. Beginning in the 1970's the industry came under intense pressure to become environmentally responsible. By 1990 environmental management had become largely internalized and the social contract amended to include 'minimal harm to the environment'. Social issues surged through the 1990s opening a further chapter in the evolution of the social contract. The Global Mining Initiative (1998 – 2002) and associated Mining Minerals and Sustainable Development project introduced the concepts of sustainable development and the idea of achieving environmental and social 'net gains'. In parallel, a number of standards and practice guidelines emerged such as the Performance Standards for Social and Environmental Sustainability published by the International Finance Corporation division of the World Bank. However, many corporate players in the industry found sustainable development too complex an approach and turned instead to business management strategies such as the Triple Bottom Line, Corporate Social Responsibility and Shared Value to guide their response to social concerns. There have also been specific, project level, initiatives such as community development agreements, impact and benefit agreements, community based environmental monitoring and community participation in mining projects.

This paper contrasts the way in which environmental aspects of the social contract solidified with the ongoing struggle to come to grips with society's expectations for the social component, which is being worked out at multiple levels through an uncomfortable process of experiment, adaptation and change. Possible future scenarios are discussed together with implications for the industry.