



SUSTAINBLE DEVELOPMENT GOAL 11 – SUSTAINABLE CITIES AND COMMUNITIES

Transcript of interview with Dr Louise Obara, VC2020 Lecturer in Business and Management, Leicester Castle Business School.

My name is Louise Obara, I'm a lecturer here at DMU in the business school. My teaching and research focuses on how companies interpret and manage ethics, corporate social responsibility (CSR) and human rights.

Now, my research has focused on all types of businesses and sectors but on industry in particular that I focused on has been the extractive mine sector. This sector is particular interesting from a Sustainable Cities and Communities perspective, because it's one of their most important stakeholders. Essentially, mining companies cannot operate without the support of communities.

You only have to think of and look at Shell's experience in Nigeria to appreciate the impact that communities and their resistance can have on a company. From a sustainability perspective, the industry is also very interesting, it's one of the industries that's gained the most attention from media and academics because it's one of the most damaging on the environment and particularly on local communities. But that's not to say they don't have a positive impact. Like any business, they have a positive impact on regions they operate in, jobs, paying taxes, and for mining companies in particular developing local infrastructures such as roads and electricity.

But unfortunately, the relationship that mining companies often have with communities - particularly large scale multi-national companies - has been one that's tense and in some cases has led to conflict and violent clashes.

Now there are a number of reasons behind this. Some of the key reasons are access to land and encroaching on indigenous populations and also small scale miners, who are on the land that mining companies are given by the Government; environmental pollution and oil and cyanide spills for

example which affect the rivers and water courses. Also corruption between companies and Governments meaning that the local communities and citizens don't benefit from the revenues from mining companies, and particularly the sustainability of the communities - once the mine closes, what happens to the communities what are they reliant on?

So to respond to some of these issues and criticisms, mining companies have adopted what we call CSR policies and sustainability strategies. Now these are voluntary actions taken by companies in a range of areas such as trying to reduce their environmental impact by a more responsible use of water for example, they may help to set up and sponsor local services such as schools and hospitals, they may also provide employees with housing and their employees and dependants with medical treatment. And a significant, a big focus of mining companies' CSR efforts has been on developing the community and engaging with the community – part of what we call, or what's called, social licence to operate.

I spent a month in Ghana looking at the relationship between multi-national gold mining companies and the local community. We focused on two areas in the western region of Ghana where there had been clashes between the Government and particularly small scale, what we call artisan, miners. The aim was to explore the nature of those clashes but also to look at how mining companies engage with the community and whether they have strategies in place for the sustainability of the community after the mine had closed.

So what we found was that mining companies actually recognised that their CSR activities had not been very effective and that in one company's case they had led to the community becoming dependent on the services and sponsoring that the mining provided. So companies were now focusing their CSR efforts on sustainable livelihood projects, looking at ways to provide and develop alternative and sustainable employment opportunities for stakeholders.

We looked at a variety of livelihood programmes in the region such as developing poultry and fish farming, also fabric printing, but what we also found was they were poorly taken up by the local people but I must stress at the time they were in the very early stages of setting up these projects.

Part of the reason for this low take up was that many of these projects had been developed primarily by the company without consulting or with very little consultation with the local communities. So projects were therefore not really based on what the communities wanted, or based their skill set or their interests, so as a result the communities didn't feel any sense of ownership over them.

One company did actually recognise this, and said that part of the problem they had was that they found engaging with the local community quite difficult because they just didn't know who they should talk to in the community, and the community itself was quite fragmented and there was a lot of internal conflict which they didn't want to exacerbate.

Mining companies are more aware than ever of their positive and negative impacts on the countries regions and communities they operate in, but through their CSR activities they are trying to address some of the criticisms made against them, particularly in terms of their impact on local communities but there's still a long way to go and hopefully through research that we do here at DMU we can help companies develop policies that lead to more positive, and hopefully more sustainable, communities and cities.