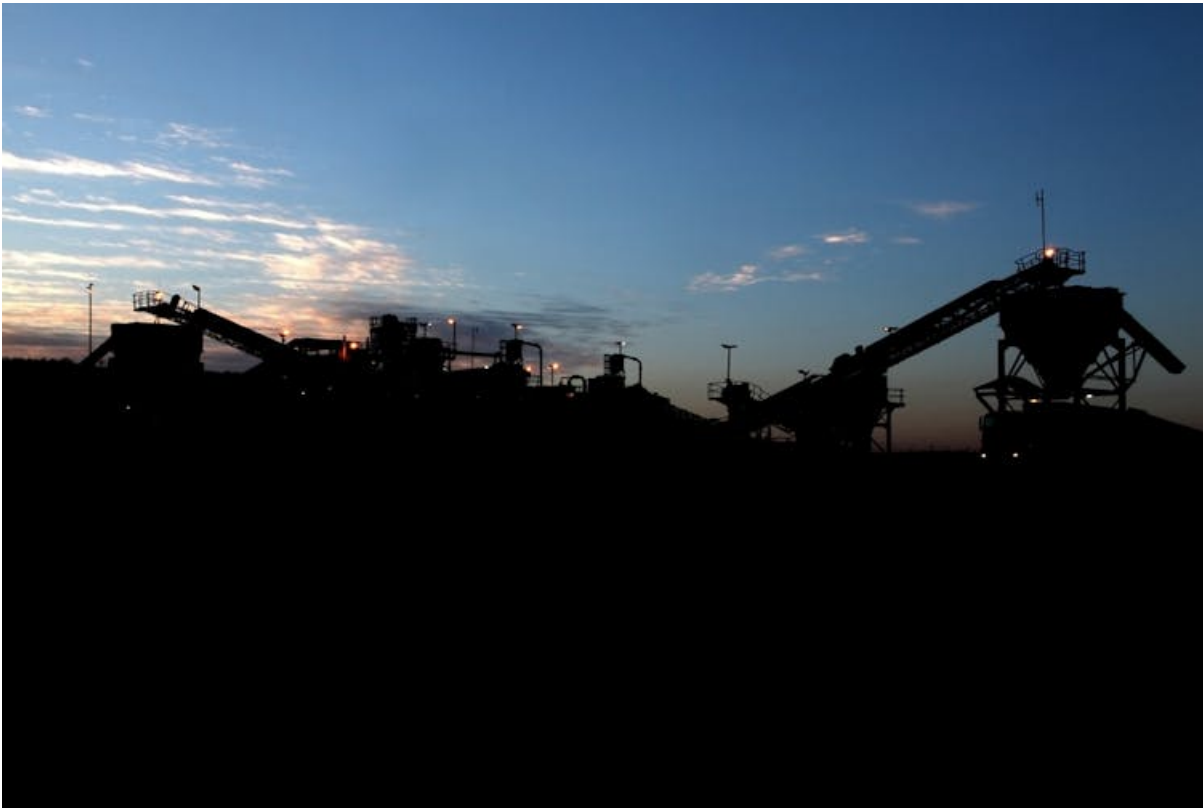


How to ensure communities living near mining activities get a better deal

By [Ross Harvey](#)

9 May 2018

The South African government and the Chamber of Mines are in the process of formulating a new [Mining Charter](#). The charter serves as a blueprint for transforming the mining industry. Its primary aim is to benefit people who were disadvantaged under colonialism and apartheid. The sector was particularly exploitative and left a [destructive legacy](#). Hence the need for a social compact.



Shutterstock

A question that isn't given enough emphasis in [forging a new compact](#) is how to move mining from an extractive industry to one that generates inclusive and sustainable economic opportunities. This is particularly true when it comes to local communities that are negatively affected by mining – and mostly insufficiently compensated. Two related issues account for this state of affairs.

First, the [dubious deals](#) that mining companies occasionally strike with local leaders, be they political appointees or traditional leaders, disempower those opposed to mining on their lands. Second, community members are often excluded from official decision making.

This lack of rigorous public participation in forming mining policy is a ticking time bomb. But the problem can be overcome. In [a new paper](#) co-authored with [Tracey Cooper](#), executive director of Mining Dialogues 360° (MD360°), a platform for coordinating mining industry stakeholders, we argue that the mining industry needs an inclusive model that builds on and improves [shared value](#). A Harvard Business Review article describes this concept as something that generates economic value in a way that also produces value for society by addressing its challenges.

This model moves beyond philanthropy or corporate social responsibility. Rather, all stakeholders, especially host communities, become participants in decisions that affect their lives. What will help them do this is a new platform that will be used to collect, combine and analyse social and economic data.

The underlying idea is starting to gain global traction. [Chalkstone Partners](#), a company built on lead partner Donald Bray's Cambridge PhD in Anthropology, for instance, has piloted projects built on a similar philosophy in Afghanistan, Colombia, Indonesia, Iraq, Jordan, Kenya, Somalia and South Sudan. The company essentially uses 'social intelligence' to identify and mitigate risks to mining investments.

What's needed

Collecting and analysing data is key. Too many community engagement forums don't produce accurate or reliable information. Communities are often fragmented and subject to the problem of self-appointed gatekeepers. To overcome this challenge MD360° is developing an open data collaborative platform to analyse mining-related socio-economic information. Members from mine-affected communities will be able to contribute their data. It will also give them feedback and access to information that other stakeholders, such as relevant government departments and companies have, in a communicable form.

A platform like this could move mining beyond licence thinking and mainstream social performance. Communities could have an equal voice to participate in solving problems that directly affect them. In a deeply divided environment, there's always a great deal of mistrust. Contributing ideas bridges this divide. It goes a long way towards stabilising relations.

A second benefit is that the platform will provide firms, policymakers and researchers with enough information to understand a local context. Crucial too is to understand the distribution of political power. Of course, technological intervention can't substitute for real relationships. But it can facilitate cooperation and improve the quality of dialogue that's needed.

Traditionally, elites capture the benefits from mining deals. Too often, especially where mining takes place on communal land with insecure tenure, politically connected insiders tend to win [at the expense](#) of their communities. Technology can help to avoid this by designing mechanisms that ensure the voices of the least powerful are included.

MD360°'s initiative pulls together existing knowledge and data from multiple sources to build a visually accurate, real time landscape for the user. This means that community needs can be responded to more efficiently. It also allows users to identify social dynamics that pose a risk to stability. Beyond this, the initiative aims to provide tools for scenario planning.

The importance of more integrated and accurate development planning for host communities can't be overemphasised. Better data use will enable deeper understanding of complex issues. In turn, resources can be allocated more effectively and host communities empowered to keep the government and mining firms accountable.

The combined power of social and economic data, using predictive analytics, can help to coordinate shared

solutions to problems such as the very real possibility that digitisation and automation will lead to job losses in the future. It can also help generate ideas for how mining can create related economic opportunities.

Global context

Across Africa manufacturing value addition has started to drop to much lower levels than our industrialised counterparts at historically similar levels of income per capita. The process is referred to as [premature de-industrialisation](#)

Historically, manufacturing has driven growth and created jobs. But massive automation and dominance by countries like China have crowded out opportunities for African countries to benefit from this type of industrialisation.

New technologies present an opportunity for the continent to leapfrog traditional trajectories – and the environmental damage that goes with them. Using big data to optimise the benefits of mining with host communities is one important step along this journey.

Mining is not going to disappear. [According to the World Bank](#), the world will require roughly double the volume of minerals and metals it uses now to feed our energy and transport revolutions.

Africa will be at the centre of exploration and production of these minerals and metals. There is no reason why, with new technologies, mining can't catalyse broad based development.

This article was originally published on [The Conversation](#). Read the [original article](#).

ABOUT THE AUTHOR

Ross Harvey, Senior Researcher in Natural Resource Governance (Africa), *South African Institute of International Affairs*

For more, visit: <https://www.bizcommunity.com>