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**Title: CONFLICTS BETWEEN MINING COMPANIES AND COMMUNITIES:
CHARACTERISTICS, CAUSES AND RESOLUTION APPROACHES**



This study analyzes characteristics and cause of mining conflicts through descriptive analysis of hand-collected 162 conflicts between mining companies and communities that occurred during 2012-2013 in 44 countries and by employing two comparative cases of Conga gold mine, Cajamarca in Peru and Pelambres copper mine, Caimanes in Chile.

The data show several important characteristics of mining conflicts. First, the frequency of mining conflicts between mining companies and communities varies by country and by supra-region. Almost half of the reported conflicts occurred in the Latin American region (45.7%), while Africa and Asia accounted for 24.1% and 17.3% of the mining conflicts, respectively. Third, the intensity of the conflicts varies regionally and by size and ownership of mining firm. More than one third of mining conflicts involved physical violence, particularly in developing countries. Importantly, conflict intensity differs across companies' ownership types and listed versus private company. Fourth, the determinant of conflicts differs between primary and underlying conflicts. Environmental issues are far and away the most important primary trigger to conflicts with stakeholders. Importantly, underlying causes for conflict are found in social and corporate governance dimensions.

By using a case analysis of two mining conflicts cases, we found that to prevent negative consequences and to alleviate company-community conflicts, mining companies should address contextual, underlying issues and pursue informal approaches to obtain and maintain their social license to operate. Formal approaches alone not only fail to resolve but worsen conflicts. We also found that foreign mining companies have high intensity conflicts in host country. Foreign owned companies not only need long time to familiarize with local context and informal institutions but also face difficulty in negotiations that aim at winning community approval. Lastly, the complexity of underlying causes increases conflict intensity. As long as underlying causes remain unsettled, company-community conflicts will continue. The best practice would be to start a dialogue with the community. Without this dialogue, a company can in no way identify the underlying issues that are a community's important concerns, nor can it find the most appropriate means to solve the issues.