This is ongoing project result. Please contact author for updated information, anytime you want to cite.

Ongoing Studies on SLO

Focusing on Operator’s and Site’s Nationality

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Mining and SLO

✓ Mining has huge impacts on both local/global society.

→ More understandings on environmental issues
→ Better understandings on governance issues.

→ local communities have emerged as particularly important governance actors.
→ Hope for better distribution, more involvement and request safer and responsible operations

Nowadays, for mining industry, in order to avoid potential conflict and exposure to social risks, just meet the legal requirement and obtain legal license is not sufficient. But obtaining SLO (Social License to Operate) is equally important.

Motivation of this research
Considering Japanese industry almost 100% operates abroad, this issue may be more serious than the companies in resource countries.
Factors affecting SLO

✓ How is an operation accepted?
✓ What is the important factors for acceptance?

According to Zhang et al., 2015

- Two type of fairness and confidence in governance are important factor for building trust.

Trust has huge influence on acceptance.

<table>
<thead>
<tr>
<th>Items</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributional fairness</td>
<td>How benefits of mining are shared</td>
</tr>
<tr>
<td>Procedural fairness</td>
<td>Perceived justice of the processes used to make and implement decisions.</td>
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<tr>
<td>Confidence in governance</td>
<td>Governance arrangements, such as regulations and legislation</td>
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</tbody>
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Objective of the study

• Confirm the assumption made in Zhang et al. (2015) in various mining countries and discuss the differences between countries.
  • Nationality of the mining sites.

• Try to see the impacts on who operates the mine.
  • Nationality of the operator / owner.

• Try to suggest how a company obtain SLO for the mine site in foreign country.
Questionnaire Survey

• January 2017
  • Chile, Canada

• January-February 2018
  • Australia, Myanmar, Philippines

• Distributed to
  • All general citizens according to demographics (age, gender, regional population)

• Asking questions to
  • Assess the potential factors and acceptance.
  • Basic properties, and their relationships with mining industry.
  • Impressions on some countries owing mining industries.
We prepare two models based on Zhang et al. (2015), 2 path analysis were carried out for each case.
## Result

*(Standardized Parameters Estimated)*

<table>
<thead>
<tr>
<th>General Acceptance</th>
<th>AUS</th>
<th>CAN</th>
<th>CHILE</th>
<th>MYAN</th>
<th>PERU</th>
<th>PHI</th>
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<tr>
<td>Trust←Distributional</td>
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<td>Trust←Procedural</td>
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<table>
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<tr>
<th>Acceptance of Foreign Operation</th>
<th>AUS</th>
<th>CAN</th>
<th>CHILE</th>
<th>MYAN</th>
<th>PERU</th>
<th>PHI</th>
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<tbody>
<tr>
<td>TrustF←Distributional</td>
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Red color means higher impact, followed by yellow, green and white.
Findings

<On General Acceptance>
• In almost all cases, “Confidence on Governance” has huge effect on “Trust in Mining Industry.”
• “Trust in Mining Industry General” has huge influence on Acceptance, however we cannot find it out in Canadian case.
• Also, “Distributional Fairness” has huge influence on Acceptance.

<Acceptance of Foreign Operation>
• “Trust in Foreign Mining Companies” has huge influence on Acceptance, and the influence is even bigger than general cases.
• “Distributional Fairness” has once again huge influence on Acceptance, though influence seems a bit smaller than general case.

<Overall>
• In foreign operation case, acceptance is more influenced by “Trust in companies,” and other factors influence via “Trust”.
Another Issue.

Just is domestic or “foreign” sufficient?
Or any difference “who” is the “foreign” operator/company?
Questionnaires

• We also had three additional questions for 10 countries include their own.

<Assumption>

• Along with the growth of emerging market economies, the demand for natural resources has been sharply increasing. As a result in xxx, which shows a very successful and important mining sector, there has been increasing presence of overseas companies entering the mining business. While they are trying to develop new technologies which realize higher productivity, more efficient technologies used in mining industry can have a negative effect on the local environment.

  • Q1 The mining companies from the countries below will disclose positive and negative information about new technologies.
  • Q2 I trust that the mining companies from the countries below have enough technical skills to be able to manage such new technologies.
  • Q3 I accept that the mining companies from the countries below can effectively implement and operate using new technologies.
How to understand the mosaic plot?

Green area denotes the share of accepting Australia. Red area denotes the share of not-accepting Australia. (Q3)

Share of trusting disclosure (Q1) /tech. (Q2) by Australian companies.

Respondents’ nationality

Operator’s nationality
How do they assess their own?
How are JP companies accepted?
Australian citizens evaluate lower their own country on the tech. side than JP but still accept more.
Effect of Industry Experiences

*Experienced AUS person trust less JP*....