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The civic virtue of developmentalism: On the mining industry’s social licence to develop Western Australia

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Abstract
This paper examines Western Australia’s mining industry’s social license to operate in the context of the state’s ‘developmentalist’ agenda. We draw on the findings of a multi-disciplinary body of new research on the risks and challenges posed by Western Australia’s mining industry for environmental, social and economic sustainability. We synthesise the findings of this work against the backdrop of the broader debates on corporate social responsibility and resource governance. In light of the data presented this paper takes issue with the mining sector’s social license to operate in Western Australia for two discrete yet related reasons. Firstly, the industry’s claim to a social license to operate is derived from a positive and unproblematic framing of resource development by a state government ideologically wedded to resource-led growth. Secondly, this positive political framing allows for the resource sector’s social license to be built on a limited win-win logic restricted to mere economic legitimacy. Overall, this paper problematises the political-cum-commercial construction and neoliberalisation of the social license to operate in mining in Western Australia.

Introduction
The exploitation of the state’s natural assets has been a policy priority in Western Australia (WA) since white settlement in the mid 1820s (Walker et al. 2002) and as such been an “objective of all Western Australian governments” (Layman 1982: 149). To this day, WA is a resource-based and resource dependent economy with its economic performance closely tied to that of the resource sector (Lawrie et al. 2011). The most recent resource boom underscored the significance of mining and drilling in the state. The boom enabled the state, and indeed the entire country (CommSec 2013), to prevent the economic fallout from the global financial crisis and to produce GDP growth figures that were unmatched by most other OECD countries at the time (Organisation for Economic Cooperation and Development 2013).

Much political and media attention was focused in recent years on the economic performance of WA, and the importance of the resource sector to the state’s economic well-being. Record investment and export figures in the minerals and energy sectors (Australian Bureau of Statistics 2012d) and correspondingly high state revenue data served to reinforce the political support the industry received and
resulted in a very positive portrayal of the sector in the mainstream media. To illustrate, the state’s conservative Coalition government has committed very openly to making WA ‘the world’s biggest resource industry [...] economy’ (APPEA 2011) and to ensure that the resource industry’s “future growth is not hampered by structural impediments or red tape” (Barnett 2009). In addition, strong income and employment growth in the resource sector (Australian Bureau of Statistics 2012a, c) helped shape dominant perceptions that mining in the state is positively associated with the prosperity and well-being of West Australians (Hajkowicz et al. 2011; Barnett 2011; Storey 2012). It will be argued here that these positive associations help provide the basis for the industry’s ‘social license to operate’ (SLO) in WA.

Debates on SLO in mining are commonly seen to have grown out of concerns about the sector’s social and environmental impacts and the resultant need for mining companies to protect their image and public support base (Jenkins and Yakovleva 2006; MMSD Project 2002; Prno and Slocombe 2012). Yet, as will be shown in this paper, instead of focusing on social and environmental harm minimisation, both the mining industry and the state government are seen to place greater emphasis on the resource sector’s contribution to the developmentalist agenda in the form of investment, employment creation and royalty payments. It is thus our contention, that SLO in mining is economically premised and primarily focused on the sector’s positive contributions whilst potentially contentious effects are largely ignored. SLO is reduced to a mere economic legitimacy, which overall bespeaks the neoliberal logic that shapes WA’s resource governance system.

It is this narrow political construction of SLO that in turn enables resource companies in WA to adopt an equally narrow corporate social responsibility (CSR) platform. The dominant CSR literature has long been promoting the business case for CSR (World Business Council for Sustainable Development 2000; Berman and Webb 2003), which rests on the interdependencies that are said to exist between business and society for the creation of jobs, wealth and the improvement of living standards (Hoque 1985). Proponents of this brand of CSR theory refer to the existence of shared interests between business and society, translating community well-being into companies’ long-term interest. Good company conduct is argued to result in various direct and indirect business benefits (Orltizky 2005; Kotler and Lee 2005; Schreck 2009; Margolis and Walsh 2003) and is thus seen to reconcile social responsibility with shareholder interests. However, this logic has attracted strong criticism for being self-serving, self-limiting and to still be adhering to a ‘Friedmanite’ position (Galbreath 2006) that sees the key social welfare contribution of business in its ability to maximise shareholder value (Blowfield 2005; Banerjee 2008; Brueckner and Mamun 2010). The point here is that firms’ economic contributions to society are at risk of being re-framed as CSR initiatives and to be in the social interest (to an extent they certainly are). As we will suggest in this paper, WA’s resource sector employs the discourse of enlightened self-interest, which serves to legitimate the sector and its activities. At the same time, the discourse is very narrowly, economically framed, allowing for a business-as-usual approach with a mere social twist.

Overall, the paper questions the robustness and validity of claims to SLO in WA’s
mining sector. We present recent data derived from a multi-disciplinary research collaboration (Brueckner et al. in print-b) to show the extent to which industry and government assertions of SOL in mining are at odds with community perceptions of the industry in light of its locally felt social and environmental impacts. The data will be used to support the argument that WA’s resource sector does not earn its SLO based on processes that build legitimacy, credibility and trust (see Thomson and Boutilier 2011). Instead, we suggest SLO in mining to be based rather on an ‘economic legitimacy’ (after Boutilier and Thomson 2011) sanctioned and supported by government, offering little more than a financial transaction with company stakeholders. Not only do the economic foundations offer a weak basis for SLO in mining, they also mask other social and environmental factors on which a robust SLO critically depends.

We will commence by offering an overview of the SOL and CSR literature and provide an insight into WA’s dominant development ideology to establish the requisite context for the ensuing discussion. Attention will then be directed to a selection of cases, which illustrate the discrepancy between SLO assertions and lived SLO realities based on recently completed research into the costs and benefits of resource development in the state.¹ In a final discussion, we give consideration to the implications of the paper’s findings to SLO research, industry practices in mining and resource governance. It will be argued, that society’s interests need be genuinely framed more broadly beyond employment, income and taxation by industry and government alike to ensure the legitimacy of an industry’s SLO. Only then can social and environmental interests be fully served and CSR as well as resource governance systems be sustainable and effective.

**Civic virtue and the social license to mine**

Even though business analysts regard SLO as one of the most significant challenges resource companies are currently facing (Deloitte Global Services 2010; Ernst and Young 2011), the concept remains abstract and devoid of a single, clear definition. In contrast to matters of legal compliance social licenses are not formally issued, and the issuance or refusal of SLO is occurring in complex and dynamic settings and thus highly time and context dependent (Prno and Scott Slocombe 2012).

In broad terms, SLO can be defined (Nelsen 2006: 161):

> as a set of concepts, values, tools and practices that represent a way of viewing reality for industry and stakeholders. Its purpose is to create a forum for negotiation whereby the parties involved are heard, understood and respected. SLO is a means to earn accountability, credibility, flexibility and capacity for both stakeholders and industry.

¹ The research was based on a collaboration involving 24 researchers from a wide array of academic disciplines including ecology, health, ethics, political science, sociology, Indigenous studies and economics. Building on the work of Harman and Head (1982) the aim of this joint project was to assess the sustainability of resource-based development in WA by way of gauging the social, economic and environmental costs and benefits of mining.
The above definition portrays SLO as both process and outcome, focused on conciliation and the finding of common ground. In the mining context, Moffat and Zhang (2014: 61) offer a more instrumental definition, describing SLO as “the ongoing acceptance and approval of a mining development by local community members and other stakeholders that can affect its profitability” so as to reduce social risks and the potential for conflict. For companies, SLO creates project certainty and helps “avoid potentially costly conflict and exposure to social risks” (Prno and Scott Slocombe 2012: 346). For communities, SLO is about the acceptability of a company and its local operations (Boutilier and Thomson 2011). This includes the acceptance of certain costs (e.g. noise, pollution) and benefits (community investments, royalty payments) associated with a company and its operations as well as the acceptance of the processes through which agreement was reached between a company and its host community.

Whilst regarded by some as a desperate bid for survival by the mining industry (Owen and Kemp 2013), others see in the uptake of the SLO concept across the resource sector signs of a maturing industry that has understood the importance of gaining and maintaining its social legitimacy (Goodland 2009). This broad spectrum of opinion is reflective of the divisions visible in the broader debate on CSR in mining, in which the resource sector receives a highly polarised treatment either seen as a leader or laggard in the CSR space (e.g. Frynas 2009a, b; Idemudia 2010; Kemp et al. 2011).

Over the years, CSR in mining has proven to be a popular but equally problematic issue. On the one hand resource companies are often seen to be vocal champions of CSR, they also attract considerable criticism in connection with highly visible resource conflicts on the other hand (e.g. Bebbington 2010; Calvano 2007; Kemp et al. 2011). In this context, Frynas (2005: 581) speaks of a discernible gap between “stated intentions of business leaders and their actual behavior and impact in the real world”, and Palazzo and Scherer (2008) point to the failure even of ‘good CSR companies’ to address the adverse impacts of their operations. Critical commentators attribute these ongoing failures to that fact that CSR has remained subservient to firms’ dominant economic objective and – despite high-minded rhetoric – failed to change corporate values and to correct the efficiency-legitimacy dichotomy (Frynas 2005; Blowfield and Frynas 2005; Banerjee 2008).

The focal point of the above critique is the dominant, so-called capitalist strand of CSR theory (Korhonen 2002; Amaeshi and Adi 2007). Its proponents treat interchangeably company and community well-being on the basis of assumed shared interests. In short, interests of the firm can only be met if the firm meets the interests of society and vice versa. This brand of CSR is underpinned by neoclassical economic theory (Blowfield 2005) to which the ‘leitmotif of wealth creation’ is central (Windsor 2001). The profit-focused approach to CSR breaks down any separation between corporate self-interest and social responsibility as social and ecological concerns can be reframed as economic concerns under the banner of ‘enlightened value maximisation’ (Jensen 2002). The so-called business case for CSR rests on the belief that firms can strategically link their business capabilities with the
opportunities their social environment presents. As a result firms can realise both societal benefit as well as competitive advantages (Collis and Montgomery 1995; Munilla and Miles 2005; Miles and Covin 2000; Porter and Kramer 2006). However, opportunities for these kinds of ‘double dividends’ are limited as many CSR and SLO issues (e.g. pollution, health impacts) are beyond arguments of economic efficiency. This is what explains calls for a CSR beyond the business case as in many CSR cases the interests of business do not merge with the interests of society (Newell 2001; Banerjee 2007). It is in situations such as these that companies’ SLO and their ability to reconcile differences with company stakeholders come into sharp focus.

The sales pitch of ‘doing well whilst doing good’ (see for example Lev et al. 2010) may well have aided the mainstreaming of the CSR agenda and the proliferation of the dominant win-win CSR logic across industry (Lee 2008). However, to our reading it also helped legitimate an approach to CSR that amounts to little more than reputation management and legitimation efforts, which provide only a weak SLO basis (Slack 2012). Due to its nature the resource sector faces many social and environmental CSR issues (Jenkins and Yakovleva 2006) and thus needs robust CSR frameworks to meet regulatory, social and environmental requirements and expectations. However, as will be shown in the WA mining experience, the adoption of market-driven, economic CSR approaches does not automatically translate into social responsibility or indeed to issuance of a social license.

The WA data will also illustrate the ways in which company and project acceptance are strongly built around economic business contributions such as income and employment generation. While economic benefits matter to local communities they only form one of a number of components deemed necessary to achieve social acceptability of resource development companies and their projects (see Goodland 2009; Boutilier and Thomson 2011; Thomson and Boutilier 2011). Economic legitimacy is vital yet insufficient to building credibility and trust necessary for lasting community support. We show below how and why such an approach to CSR and SLO in mining is politically sanctioned and supported in WA.

**Resources and developmentalism in Western Australia**

Developmentalism in WA became the state’s dominant development ideology under former Liberal Premier and Industrial Development Minister Sir Charles Court from the 1960s onwards (Layman 1982). Kellow and Niemeyer (1999) describe developmentalism as a form of political conservatism and the tendency by government to pursue interventionist development policies. In WA, developmentalism took the form of government pursuing economic growth by way of committing “to resource development by large-scale private capital undertaking large scale projects with assistance at all stages by state planning” (Layman 1982: 163). It is a development approach that favours light-handed industry regulation and low-level taxation where the benefits of development are meant to be captured by way of material diffusion through employment and income generated by resource development projects (Harman 1982). Thus, successive WA governments have always played an important role in the development of the resources sector as a one of the state’s economic cornerstones (Phillimore in print).
Economic development in the state is strongly driven by a belief in the urgent need for development and to tame WA’s physical environment and to overcome its isolation and remoteness (Moon and Sharman 2003). This is what Harman (1982) describes as the ‘frontier mentality’, which still characterises development policy in WA today. It is a mindset that drives government policy designed to encourage resource projects and “discourage companies from ‘sitting’ on mineral tenements or gas reserves without developing them expeditiously” (Phillimore in print). This sense of urgency is reflected in the stance taken by current Premier Colin Barnett, who strongly supports resource development and warns of WA missing out in the global commodity race (Barnett quoted in Maumill 2013):

[j]If we don’t grasp this opportunity of China’s growth and perhaps India following we won’t get a chance again … If we don’t do it this decade, we can’t just leave things […] There are a whole lot of competitive developing countries coming up and this is our one chance.

The mantra of development has been underpinned by the belief that economic growth automatically delivers social benefits and that any environmental impacts need to be treated as a necessary trade-off for progress and prosperity. With the underlying assumption that resource extraction will automatically benefit society, WA’s tradition of developmentalism has thus largely ignored the social and environmental dimensions of resource development and the often-failed realities of reconciling an economic growth perspective with the social wellbeing of communities affected by the resources boom.

In an attempt to address such sustainability issues companies increasingly have tried to embed ethical rules and principles within the commercial context of their operations. But despite a prevailing CSR rhetoric there is ample evidence of divergence between affected local communities and large resource companies operating within transnational production networks.

**Western Australia SLO experiences**

In what follows we present three WA-based cases to draw attention to the fragility of SLO in mining. The examples draw on the experiences of local communities in the towns of Yarloop and Broome as well as shed empirical light on the promise of Indigenous employment in mining.

**Living down-wind from ‘world’s best practice’**

The town of Yarloop, 125 km south of Perth - the state capital - has been the centre of a long-running conflict between local residents and its corporate neighbour Alcoa World Alumina. The conflict has been about Alcoa’s Wagerup alumina refinery, which is located just five kilometres away from the Yarloop township and believed to be the source of ongoing health impacts experienced in surrounding communities (Brueckner and Ross 2010; Brueckner and Mamun 2010; Brueckner in print).

Since 1997 the Yarloop community has been agitating against Alcoa on a raft of issues relating to impacts on community health and well-being. The focus here is on the issues of noise, dust and refinery emissions. Alcoa, one of the world’s largest producers of aluminium, has been operating in Wagerup since 1984 and long been
refuting claims of adversely impacting the community. The company prides itself as a significant contributor to the WA economy and as a social and environmentally responsible business, with its achievements recognised nationally and internationally (Corporate Knights Inc. and Innovest Strategic Value Advisors Inc. 2007; Reputex 2003). The company portrays itself as being “committed to world's best practice” (Alcoa 2014) in all its operations and considers corporate social responsibility to be part of the company’s DNA (Alcoa 2008).

Over the last decade successive state governments have been siding with the company defending its actions as ‘fair and equitable’ (Carpenter 2006) and been quick to highlight Alcoa’s role as a “substantial employer in [the] state” and the “huge amounts of dollars [the company spends] to support activities in the community” (WA Legislative Council 2007). In fact, former Premier Alan Carpenter went as far as to dissuade the community from taking action against Alcoa, warning that community agitation could become “a serious disincentive to further investment […] which would be] detrimental to the economic and social benefits that the local and State community as a whole” (Carpenter 2006).

Nonetheless, after over ten years of community campaigning the community has recently been vindicated on questions of noise and emissions, and Alcoa’s dust suppression practices have also been drawn into question. In expounding, air monitoring revealed possible underestimates in Alcoa’s emission inventory. Refinery emissions containing up to 260 chemicals were found to be lingering close to the ground for up to 18 hours within seven kilometres from the refinery trapped against the local topography leading to the possible exposure of the community (Calhoun et al. 2008; Retallack et al. 2010). The findings led to a tightening of Alcoa’s licensing conditions and more stringent air quality controls (Department of Environment and Conservation 2008).

Furthermore, Alcoa’s controversial Land Management Plan (Alcoa 2002, 2001), which over ten years ago divided the town of Yarloop into two discrete land management areas, was recently being challenged. Alcoa’s Land Management Plan was purportedly based by noise contours, distinguishing between two types of noise affected areas (Areas A and B). Residents closest to the refinery (Area A), who were known to be exposed to night-time noise levels above 35 dbA from the refinery, received generous buyout offers from Alcoa. In contrast, people outside Area A received either lesser offers (Area B) or failed to qualify for company buyout altogether despite claims of being noise affected. WA’s Minister for the Environment acted on the advice received in response to community appeals against Alcoa’s noise approval application and now requires the company “to publish details of its efforts to purchase 'noise affected properties' in the vicinity of the refinery, rather than under Areas A and B” (Jacobs 2013). The decision effectively questions the validity of Alcoa’s Land Management Plan and acknowledges the potential for the refinery’s noise footprint to be extending beyond Alcoa’s land management area.

Finally, despite claims to best practice Alcoa has repeatedly failed to stay within its dust limits and has been sued and fined for negligence (Alcoa 2002/2003; Towie
Despite this rhetoric, a “would be an license to operate,” Woodside negotiated a $1.5 billion package of payments to Aboriginal traditional owners of the affected land with Woodside’s Chairman emphasizing, considering these benefits, that further opposition to the development “would be an immoral act” (Chaney 2011).

Nonetheless the proponents of the development faced a very strong and vocal opposition, which questioned the project’s perceived benefits. To gain its social license to operate, Woodside negotiated a $1.5 billion package of payments to Aboriginal traditional owners of the affected land with Woodside’s Chairman emphasizing, considering these benefits, that further opposition to the development “would be an immoral act” (Chaney 2011).

Despite this rhetoric, after more than four years of negotiations and protests, in 2009, 2008; Australian Associated Press 2009). Overall, community reactions show that there are questions surrounding Alcoa’s SLO. Despite Alcoa’s attempts at promoting itself as a CSR champion and key driver of regional sustainability (Alcoa 2008), company practices were found to be at odds with community sentiments. The companies’ contributions in terms of income and employment generation as well as philanthropic community investments cannot be denied. However, these contributions strike as the principal means through which Alcoa seeks to support claims to its commitment to CSR. The lived experiences of local residents in Yarloop highlight that community well-being goes beyond income and employment and also bring into sharp relief the difference between a company asserting as opposed to earning its social license.

**James Price Point**

James Price Point is located in the Kimberley region in the northwest of Western Australia near the township of Broome, an internationally renowned tourist destination. The attractiveness of the region is based on its rich history and culture, in particular Aboriginal and Torres Strait Islander (hereafter Aboriginal) and pastoral heritage (Fryer-Smith 2002) as well as outstanding landforms, geology and geomorphology, including rugged coastlines and large expanses of spectacular wilderness areas (Hughes 2010, in print).

In 2009 Woodside Energy proposed a large liquefied natural gas (LNG) processing facility at James Price Point, about 40 km north of Broome, which prompted strong public debate over its potential environmental, social and cultural impacts. Nonetheless, the WA government strongly supported Woodside Energy’s plans highlighting the company’s social license to operate based on its commitment to world class environmental standards and the promise of improved livelihoods in the region, in particular of employment and training opportunities for Aboriginal communities and financial benefits for traditional land owners. These close business-government ties were in line with successive WA governments’ ideology of developmentalism and rapid economic growth that has stimulated and facilitated resource development projects in the past. As highlighted earlier, this specific economic and political climate in WA has shaped the meaning of CSR where economic growth is automatically perceived as a form of social responsibility (Wesley and MacCallum in print). In the context of the proposed James Price Point development the WA Premier Barnett (2010) for instance, highlighted that the LNG plant would provide “real jobs, real improvements in housing, education and health”, implying a win-win situation for everyone.

Nonetheless the proponents of the development faced a very strong and vocal opposition, which questioned the project’s perceived benefits. To gain its social license to operate, Woodside negotiated a $1.5 billion package of payments to Aboriginal traditional owners of the affected land with Woodside’s Chairman emphasizing, considering these benefits, that further opposition to the development “would be an immoral act” (Chaney 2011).
2013 Woodside Energy announced that it would not proceed with the LNG project at James Price Point purely based on economic considerations (Wesley and MacCallum in print). This decision was made without any further regard of the possible social impacts it might have, highlighting the tensions between ‘local’ and ‘global’ interests and the mismatch between a corporate strategy merely focused on profit maximisation and the social well-being of a community. This decision meant not only that the promise of economic betterment in particular to the affected Aboriginal communities remains unrealised but that the bitter conflict between proponents and opponents has divided the wider Broome community and left its social fabric in tatters.

In response to Woodside’s decision, Aboriginal spokesperson Wayne Bergmann, who had played a pivotal role in the negotiation of the benefits package to traditional landowners, highlighted that in his view the company and the WA government had a moral obligation to honour the agreement. For him this was not an issue of legal rights but “about their social licence to operate” (AAP Financial News 2013). Nonetheless, neither the WA government nor Woodside has since taken any responsibility and seen a need to act on that matter.

The controversy surrounding the proposed James Price Point development that was briefly outlined above was closely investigated and analysed by Wesley and MacCallum (in print) who were able to demonstrate in their study that in the James Price Point case, despite a prevailing CSR rhetoric and strong claims to Woodside’s SLO, in reality Aboriginal development and social cohesion were subordinate to a parochial economic perspective.

Aboriginal and Torres Strait Islander Australians and the mining boom in Western Australia
Aboriginal and Torres Strait Islander Australians make up about 2.6 per cent of the Australian population and over 3 per cent of the population in Western Australia (WA) (Australian Bureau of Statistics 2012b). Health disparities between Aboriginal and other Australians have been well documented with morbidity and mortality rates still at unacceptable levels (Australian Institute of Health and Welfare 2011). The social determinants of Aboriginal health include the detrimental impact of unemployment on mental health and wellbeing (Shepherd et al. 2012). The 2011 census indicated that Aboriginal participation in the Australian workforce has decreased overall since 2006 with those living in cities proportionately more likely to be employed than those living in remote areas where the employment rate was lowest (Australian Bureau of Statistics 2013). Around 40 per cent of the Aboriginal population in WA live in very remote areas (Dockery in print). In theory, the proximity of mining companies to remote Aboriginal communities provides opportunities to engage a local Aboriginal workforce who can also maintain their cultural obligations such as kinship ties, ceremonies and connection to their land and sacred sites (O’Faircheallaigh 2013; Langton and Longbottom 2012; Dockery in print; O’Faircheallaigh 2008). The mining industry is the tenth largest employer of Aboriginal people with the highest proportion of Aboriginal people in its workforce (3.1 per cent) compared to other industries (Australian Bureau of Statistics 2013).
Mining companies such as Rio Tinto and FMG have been praised for their efforts to increase Aboriginal employment (Langton 2012).

With mining companies now requiring SLO, sustainable development and CSR are firmly on the industry’s agenda increasing expectations that economic benefits will be shared with Aboriginal communities located alongside mines (O’Faircheallaigh 2013; Langton and Longbottom 2012; Dockery in print; Altman 2009; Centre for Social Responsibility in Mining nd). Other changes in the relationship between the mining industry and Aboriginal communities include the 1993 Native Title Act (NTA) which gave Aboriginal people who were recognised as traditional landowners the ‘Right to Negotiate’ future grants of exploration or mining interests on their land. While Traditional Owners have the right to negotiate, they have no right of veto over development nor special rights over mineral resources and, in most jurisdictions governments can allow mining to proceed without the permission of Aboriginal communities (O’Faircheallaigh 2008; Altman 2009).

A recent study (Dockery in print) using Census data investigated the extent to which the recent mining boom in WA led to better employment opportunities for the Aboriginal populations living near mining sites. It was found that despite the Native Title Act and reported commitments to CSR towards local Aboriginal populations, Aboriginal employment opportunities as a result of the mining boom were minimal (Dockery in print). Notwithstanding industry claims to boosting Aboriginal employment (Hooke 2013), 2011 data reveal that for every 100 mining industry jobs in remote and very remote WA, only 4.6 were held by Aboriginal residents living in those areas, with a further 4.6 Aboriginal residents unemployed. For every 100 mining industry jobs located in outer regional WA, only 3.9 were held by Aboriginal residents while a further 11.3 Aboriginal residents were unemployed. Dockery (in print) suggests that the raw data confirm that several mining intensive areas also display high rates of Aboriginal unemployment. While these findings illustrate the complexity and contested nature of this terrain, they also raise questions about the extent to which the principles underpinning mining companies’ SLO are translated to empirical evidence of widespread improved employment outcomes for remote Aboriginal communities.

**Discussion and concluding comments**

The data presented above reveal a strong economic focus on the side of industry and government in connection with SLO in mining, one that was largely restricted to the sector’s contributions to the generation of jobs and income and philanthropic community investments. However, when juxtaposing this economic logic with lived SLO experiences at the local community level, a discernible gulf could be detected between community understandings of, and expectations on, SLO in mining and those of industry and government. In addition, certain SLO claims could not be supported empirically.

Specifically, the impact of multinationals was shown on the lives of people in small country towns and the way in which corporate self-interest can run counter to community well-being and aspirations. Attention was directed to local
discontinuities resulting from the industrialisation of small towns and the power asymmetries at work in industry-community conflicts acerbated by an overt pro-industry and pro-development stance by government. The conflicts we described in the towns of Yarloop and Broome are by no means isolated and indeed bespeak an emerging pattern of industry-community conflicts across Australia in the context of an expanding mining sector (see Cleary 2012; White 2013; Higginbotham et al. 2010; Duus 2013; Scambary 2013). This trend stresses the need for critical reflection on current SLO approaches and on their underlying assumptions.

WA’s dominant development narrative, of which resource development forms a central part, was shown to have given rise to narrow SLO constructions in mining. SLO constructions such as these are at risk of merely reflecting a singularity that offers only one best way for advancing the state and its people. However, the data above revealed the potential for conflict when these development aspirations collide with social, cultural and environmental interests at the local level. The conflicts reported here largely arose in response to failures in addressing fully the social, cultural and environmental concerns surrounding resource developments where the economic benefits were meant to speak for themselves. In addition, claims to best practice were expected to be trusted and to be taken on face value.

Especially for Aboriginal communities SLO in mining ought to be questioned. With much resource extraction in the state occurring on Aboriginal land, the impacts of mining felt both physically and culturally are claimed to be offset by the economic benefits mining generates. In this regard, Aboriginal employment in mining has widely been portrayed as a principal goal for resource development and a key pillar of mining companies’ SLO. However, the promise of Aboriginal employment in mining has gone largely unfulfilled. Indeed, the research cited here suggests that Aboriginal employment growth in WA was largely a function of labour relocation as opposed to genuine job creation (Dockery in print). In this sense, the state’s most recent mineral boom did not translate into the material diffusion hoped to accompany it and thus – contrary to industry claims – failed to improve Aboriginal disadvantage. In addition, while we agree that Native Title legislation has strengthened the position of Aboriginal Australians in negotiations with mining companies and necessitated that mining companies win a SLO (Langton 2012) we would argue that such a license should not be restricted to facilitating access to employment and economic opportunity. It should also be about supporting the control and consolidation of pre-colonial heritages in home communities. These twin objectives are not necessarily mutually exclusive as pre-colonial heritages provide the currency for Native Title agreements. Yet, this cultural capital also needs investment and maintenance (Scott and Durey in print).

The data presented, and arguments advanced in this paper point to a legitimacy crisis in mining arguably in spite, and because of what strikes as the dominant approach to SLO in the sector. We see the legitimacy crisis arising from the narrow, economically underpinned construction of SLO and the assertion of such a license. The data made plain that the SLO agenda extends far beyond questions of income and employment and that social licenses need to be earned locally. It is the places of
resource development, the often out-of-sight peripheries that are central to any debate on SLO in mining. Mining in WA tends to take place in the periphery, away from urban centres and industrial core zones. It is these places of resource development that have much to tell us about “the clash of industrial, environmental, cultural and geopolitical dimensions not found in cores” (Hayter et al. 2003: 19). It is these places - at risk of becoming industrial ‘sacrifice zones’ (after Lerner 2010) - where companies’ SLOs need to be earned.

Resource extraction is territorially embedded, which draws attention to the role of the state in ameliorating the effects of resource development (Bridge 2008)\(^1\). It was shown here that state governments wedded to developmentalist goals risk legitimating forms of development that are disconnected from their intended beneficiaries. What we see as the neoliberalisation of the SLO space in WA has created a benign rendering of resource development. Despite growing evidence of, and public disquiet about, developmentalist shortcomings and the weak basis of SLO in mining, the neoliberal project in WA shows signs of a perverse resilience (see Faye et al. 1999), which can be appreciated following Râez-Luna (2008) as the deliberate use of political and corporate power (e.g. structural power of resource companies) to the benefit of select interests at the expense of others and the environment. Even though its social and environmental fallout has attracted growing criticism, as evidenced by the examples cited in this paper, it is fair to suggest that neoliberalism in WA has been able to retain its hegemonic status. Resource-led development remains a legitimate and largely unchallenged political priority and has become largely depoliticized (Brueckner et al. in print-a). However, this political issuance of SLO in mining was shown to be weak and vulnerable. Mining in WA is poised to continue and grow (Murray and Chester’s 2012), which is why the long-term social acceptability of the industry is paramount both for resource companies and their host communities. In terms of resource governance, whilst raising broader questions about the very nature of globalised western capitalism, the data presented here support calls for the critical re-evaluation of the state’s development agenda. In light of the socio-ecological problems confronting resource development in WA, state governments can ill-afford an ideological blinkeredness when engaging with global mining capital whilst also needing to take care of development concerns at the local level. Both resource governance and SLO in mining require a people and community-centeredness to ensure that resource development can deliver on its promise of societal benefit that permeates all layers of society in all places.

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\(^1\) However, we recognise that resource extraction along its production chain is embedded in ‘multiple territorialities’ (Briggs 2008) and accept that to realise broad developmental benefits from resource extraction more is needed than strong government, institutions and cultural-political contexts.
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