

Understanding the Fountain of Social License to Operate: The Trends and Implications for the Extractive Industries in Cameroon

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ABSTRACT

Despite the nascent history of extractive activities in Cameroon, very few studies have examined social license to operate (SLO) from the perspective of the local communities. Indeed, SLO is an informal social contract that aims to bridge the gap among the views of the most important stakeholders involved in extractive activities. As such, the novelty of this paper lies in the fact that it discusses the current situation and the future prospects of granting an SLO, and seeks to assess whether SLO exists in the extractive industries (EI) of Cameroon - by considering the perceptions of the members of the local community and local officials in the areas around where the extractive activities are carried out. In this sense, a conceptual framework is developed to identify and assess the key factors involved in gaining and maintaining an SLO. By highlighting the factors that may affect the views of all involved stakeholders, focusing on the joint efforts that are required by the EI and the society, as well as on the main technological, social, political, and legal issues, which are relevant to the process. Since one of the characteristics of an SLO is that it should take place before, during, and after the completion or closure of the extractive operation. From this, it is believed that if trust is developed between the involved stakeholders, the SLO may prove an important tool in future extraction to safeguard the supply of raw materials, minimise the environmental footprint, and improve the quality of life in the affected regions. In this regard, an exploratory qualitative method is used to confirm the elements of the framework, and to establish whether SLO existed in practice in the Cameroonian context. This is to achieve the main aim of the paper, which is to establish the extent to which SLO exists in the EI of Cameroon - by assessing the various processes followed by the corporations in relation to the communities, as well as the different administrative levels within the government to gain an SLO. With the tendency to identify the key issues that require further research that could contribute to the ongoing policy discourse on the beneficial, effective, and efficient management of the extractive natural resources in the country.

INTRODUCTION

Explicitly, the concept of the social license to operate (SLO) has generated widespread interest among stakeholders within the extractive industries (EI). As such, building positive relationships between investors, governments, and communities is a fundamental aspect of natural resource management. Since evidence shows that the poor management of the expectations of the community can contribute to social unrest and even civil conflict. With such public hostility and vandalism capable of interrupting or

delaying work, shutting down mining sites, and causing significant harm to the reputation and profitability of the company despite formal compliance with regulatory frameworks.¹ As a result,

¹ Browne, A., Stenlik, D. and Bulkey, A. (2011). "The green: sustainable development". *Local environment*, 16(7), pp. 206-221; Prno, J. and Slocombe, D. (2012). "Exploring the Origins of 'Social License to Operate' in

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KEYWORDS: *Fountain, SLO, Trends, Implications, Extractive Industries, Cameroon*

it has become increasingly evident that obtaining a formal license to operate from the government and meeting regulatory requirements is no longer adequate to ensure that mining operations proceed smoothly.² Therefore, securing an SLO is increasingly seen as an essential part of the company operations, to avoid costly community opposition to the extractive activities. This is because the developmental well-being of an extractive company, in terms of the economic, environmental, and social dimensions, depends greatly on a good relationship with the surrounding community. As a healthy relationship between the extractive company and the community means harmony, mutual understanding, and respect from both parties. With the *Fraser Institute* concurring by emphasizing that the credibility of mining companies is based on characteristics like honesty, transparency, community engagement, and consistency, to name but a few.³ As issues like a top-down management approach, inadequate community engagement processes, and poor social conditions give rise to a questionable SLO in the local and adjacent communities.⁴ As such, an SLO is necessary for developing a good relationship with all stakeholders, especially the local communities.⁵ Since the total acceptance from the local communities of the extractive company and its operations means a positive SLO and mutual understanding. With the *Bench Marks Foundation* stressing that government needs to ensure that the local mining communities are actively involved in decision-making processes, particularly where their lives are directly affected.⁶ Ensuring that the communities are part of the decision-making process could possibly be the starting point for sustainable community development projects. For this reason, the extractive companies must conduct an assessment to determine the developmental needs in collaboration with the extractive communities and identify projects within the needs analysis for their contribution to community development in line with Integrated

the Mining Sector: Perspectives from Governance and Sustainability Theories". *Resource Policy*, 37, pp. 346–57

² Zandvliet, L. and Anderson, M. (2009). *Getting it Right: Making Corporate–Community Relations Work* (Introduction). Sheffield, UK: Greenleaf Publishing Limited.

³ Fraser Institute (2012). "Mining facts". <http://www.miningfacts.org/>.

⁴ Bench Marks Centre for Corporate Social Responsibility (2012). *SIDA project plan: summary. Potchefstroom: North-West University*. (Unpublished.)

⁵ The Fraser Institute (2012), *op cit*.

⁶ Bench Marks Centre for Corporate Social Responsibility (2012), *op cit*, p. 2.

Development Plans (IDPs), the cost of which should be proportionate to the size of the investment. This is because community development is becoming a core part of operating an extractive company. As when the extractive companies give back and build a good relationship with the surrounding communities, these ties go beyond community development or an SLO and touch on Corporate Social Responsibility (CSR). With *Blowfield and Murray* pointing out that corporate responsibility occurs the moment a company takes care of its community's social needs.⁷

Expediently, from this perspective, in Cameroon, recent developments in the EI have led to debates about how best to manage the industries and address the effects of the extractive projects upon the local communities. These debates culminated in a series of policy and legislative reforms, including the adoption of the Mining Code of 2016 and its implementing decree, the Petroleum Code of 2019, and the Law implementing the Extractive Industries Transparency Initiative (EITI) in Cameroon, all having strong SLO implications. While these efforts are critical for better management of the EI, one large practical challenge remains, namely, that most of the processes to obtain investment licenses are still centralised in Cameroon. With the local communities and their local governments often perceived as lacking the power to shape the development of the EI within their jurisdictions, despite the existence of laws that grant such power to the communities to have a central role in shaping the nature of such operations within their vicinity - like the Environment Management Law of 1996 and the Mining and Hydrocarbons Laws, which provide various processes, including a participatory environmental and social impact assessment. Thus, not allowing the communities to shape developments in the EI is seen in practice as the absence of an SLO. Equally, there is also the significant challenge in attempting to legislate on SLO, which includes defining what the term means, who can grant an SLO, and through what processes can an SLO be secured. Although the *Business Council of British Columbia* views SLO as an 'extra-legal requirement'.⁸ *Newman* summarises the dilemma of SLO, by *alluding* "bluntly that any overly enthusiastic embrace of SLO in its mistakenly transformed senses is actually a rejection of the rule of law and a suggestion that the

⁷ Blowfield, M. and Murray, A. (2011). *Corporate responsibility: a critical introduction*. New York: Oxford University Press, p. 7.

⁸ Business Council of British Columbia (2015). "Rethinking Social License to Operate: A Concept in Search of Definition and Boundaries". *Environment and Energy Bulletin*, 7(2), pp. 1-10.

country should become a less well-ordered society”.⁹ Besides these definitional challenges, SLO has been used as a political and social risk management tool whereby companies, in addition to securing legally binding contracts setting out the terms for investments, attempt to foster community relations that allow the extractive operations to continue without conflicts.¹⁰ Which is seen to be in the best interest of its shareholders. This is because if companies either maintain good community relations and comply with local expectations or face costly conflicts and possibly forceful suspension of operations, the impact will be felt by the shareholders. In this light, SLO can be seen as one of the variables to be considered in the investment assessment process. As such, there are several reasons why SLO is important, with the degree of importance being better appreciated if the extractive activities are viewed from the perspective of the local communities. Since the local communities highly consider the natural resources found in their vicinity to be their rightful inheritance, and that decisions affecting those resources must involve them. This implies the local communities believe they have property rights over such resources. Besides, the communities also consider extractive activities to have more social and economic costs than benefits. This is especially the case when the exploitation of such resources is pursued without a clear articulation of local costs and benefits. Thus, the communities, through different channels, often demand more benefits from what they term ‘their resources’. Despite this, the problem is compounded by the failure of governments and political institutions to accurately inform the local communities on the socio-economic and environmental effects of the large-scale extraction of natural resources, which has tended to result in social conflict, vandalism, recruitment problems, reputational damage, and associated financial losses.¹¹

⁹ Newman, D. (2014). “Be Careful What You Wish For”: Why Some Versions of “Social License” are Unlicensed and May be Anti-Social. Macdonald-Laurier Institute., p. 14.

¹⁰ Boutilier, R. and Thomson. (2011). *Modelling and measuring the social license to operate: Fruits of a dialogue between theory and practice*. Invited paper presented at *The Social License to Operate Centre for Social Responsibility in Mining*, University of Queensland, Brisbane, 15 July.

¹¹ Gunningham, N., Kagan, R. and Thornton, D. (2004). “Social License and Environmental Protection: Why Businesses Go Beyond Compliance”. *Law & Social Inquiry*, 29(2), pp. 307–341; Yates, B. and Horvath C. (2013). “Social License to Operate: How to Get It and

For this reason, Cameroon needs to draw inspiration from developed countries, where it is a general legal requirement for extractive projects to undergo rigorous consultations as part of the application process. For instance, the environmental assessment processes in Canada require and encourage companies to conduct consultations and engagement with communities, civil society organisations (CSOs), local government authorities, and other stakeholders - so as to ensure that the project is acceptable and environmental precautions are addressed inclusively.¹² With such consultation processes often seen as initiatives aimed at gaining an SLO. Although the situation is often different in developing countries - since the reported conflicts in these contexts suggest that gaining and sustaining the SLO is problematic.¹³ As the structure and operations of the central government organs in several developing countries are such that less power is in practice given to the local communities and local governments over decisions related to the EI. As such, rigorous consultations with key stakeholders at the community and local government levels are either not stipulated in the laws governing the EI, or, where they exist, are not effectively enforced. From this perspective, companies may feel no obligation to make efforts to secure an SLO in these contexts. Thus, because of the dearth of knowledge on SLO and the underlying processes for gaining and maintaining it in various situations, this paper is based on the conceptual framework to identify and assess the key processes involved in gaining and maintaining an SLO. In effect, an exploratory qualitative method is used to confirm the elements of the framework, to establish whether the SLO existed in practice in the EI of Cameroon. With the aim to identify issues requiring further research that will contribute to the ongoing policy discourse on the beneficial, effective, and efficient management of extractive natural resources. In this regard, the paper is structured into two parts, with Part I providing the theoretical fountain of SLO, while Part II presents the trends and practical implications of SLO in the EI in Cameroon, respectively. It wraps up with a conclusion, offers recommendations, and identifies areas for further research.

How to Keep It”. *Pacific Energy Summit 2013*, Summit Working Papers.

¹² Yates and Horvath (2013)., *op cit*.

¹³ Goldstuck, A. & Hughes, T. (2010). *Securing a Social License to Operate? From Stone Age to New Age Mining in Tanzania*. Research Report 7, Governance of Africa’s Resources Program, South African Institute of International Affairs, University of the Witwatersrand, Johannesburg, South Africa.

I. THEORETICAL FOUNTAIN OF SOCIAL LICENCE TO OPERATE

Undoubtedly, the existing literature suggests that the SLO concept emerged from a business strategy that was later strengthened by more ethical reasoning. As such, from a business strategy perspective, SLO emerged in the mid-1990s from within the mining sector as a response to the management of social risk and political risk.¹⁴ Since in addition to securing legally binding contracts, companies sought to balance the interest of the shareholder against community interests by fostering harmonious relations to allow the extractive operations to proceed without conflicts. In this sense, initially, SLO was part of a strategy to create a more conducive environment for the business from both the social and political points of view. However, the concept later spread to more mining companies, CSOs, research institutions, and governments. Equally, it also extended to other industries like pulp and paper manufacturing, alternative energy generation, and agriculture.¹⁵ From this, some authors have equated the theoretical underpinnings of the SLO to the fundamental concept of a “social contract”. As such, the *Business Council of British Columbia* identified two novel elements of the SLO in the current social environment.¹⁶ With the first novel element lying in the application of the social contract to a relationship between a private enterprise and an undefined social group, rather than the State and its institutions – with the ambiguity inherent in an unwritten contract with an undefined social group being a business risk. While the second emerges with the innovations in communication technology and social media that have revolutionised how public debates on resource developments unfold. As strong public sentiments can move government policy and even drive changes to the law. In this light, the ethical perspective of SLO was developed by a United Nations (UN) initiative, which called on industries that operated in the territories of indigenous people to secure Free, Prior, and Informed Consent (FPIC) from those people. With this perspective claiming that it is ethically sound to recognise the inherent and prior rights of the indigenous people to their natural resources and respects their legitimate authority over them.

Indeed, inherent in this perspective is the notion of the property rights of the local people for the natural

¹⁴ Boutilier and Thomson (2011)., *op cit*.

¹⁵ Moffat, K. and Zhang A. (2014). “The Paths to Social License to Operate: An Integrative Model Explaining Community Acceptance of Mining”. *Resource Policy*, 39, 61-70.

¹⁶ Business Council of British Columbia (2015)., *op cit*.

resources in their vicinity - as respecting this right is viewed as being ethical. In fact, the FPIC requires that any other party entering into an equal and respectful relationship with the indigenous people should base that relationship on the principle of informed consent.¹⁷ As such, both SLO and FPIC assume that those whose lives or livelihoods could be harmed by the use of the property in their community must be fully informed of the plans of the company and must consent to them. Examples of harm could include the displacement of artisanal miners by large mining companies or diverting of a water source such that fish caught by local communities could no longer thrive. In this regard, *Wilburn and Wilburn* sum up that both SLO and FPIC recognise that communities have the right to self-determination and the right to give or withhold their consent for new production facilities that may have a negative local impact.¹⁸ Indeed, these two concepts have evolved over time and are gaining wider acceptance from NGOs and private corporations. Based on the FPIC reasoning, some forms of international treaty exist, especially in relation to the indigenous peoples and EI. Equally, SLO and FPIC also require that companies meet sustainable development expectations by focusing on the needs and concerns of the communities in which they operate.

Despite these developments, some authors still describe the SLO as “intangible and unwritten”¹⁹, thus, “difficult if not impossible to measure”²⁰ and “amorphous and lacking boundaries”²¹. As such, the public interests in a resource development project can have several diverse dimensions—including environmental, labour rights, human rights, safety, or health—and the public can align in different formations on each issue. In addition, the interests

¹⁷ United Nations. (2004). “Proceedings of the 22nd Session of the Commission on Human Rights, Sub-Commission on the Promotion and Protection of Human Rights”, Working Group on Indigenous Populations.

¹⁸ Wilburn, K. and Wilburn, R. (2011). “Achieving Social License to Operate Using Stakeholder Theory”. *Journal of International Business Ethics*, 4(2), pp. 3-16.

¹⁹ Franks, D., McNab, K., Brereton, D., Cohen, T., Weldegiorgis, F., Horberry, T., Lynas, D., Garcia-Vasquez, M., Santibanez, B., Barnes, R., McLellan, B. (2013). Designing mining technology for social outcomes: Final Report of the Technology Futures Projects.

²⁰ Parsons, R., Lacey, J. and Moffat, K. (2014). “Maintaining Legitimacy of a Contested Practice: How the Minerals Industry Understands its Social License to Operate”. *Resources Policy*, 41, pp. 83–90.

²¹ Bice, S. (2014). “What gives you a social licence? An exploration of the social licence to operate in the Australian mining industry”. *Resources*, 3, pp. 62–80.

may be local, regional, or wider. Therefore, since SLO has no clear boundaries, the response by a company will depend on how they understand the myriad social interests that may be engaged by the project. This is because, without a clear definition and boundaries, a company may not know when it has acquired an SLO and when it has lost it. In this light, *Bice* notes that “*While the social license is intended as a metaphor to encapsulate values, activities, and ideals which companies must espouse within the society to ensure successful operation—and not a literal licensing arrangement—even metaphors require clear boundaries to make them meaningful*”.²² Nonetheless, the failure of companies to obtain an SLO was seen in terms of public hostility, vandalism of company property, operational delays, higher operating costs, and possible site shutdowns. So strategies like ongoing communication with the affected stakeholders, transparent disclosure of information to the host communities, and strengthening and monitoring community development agreements, have been recommended as practical ways of obtaining and maintaining the SLO.²³

From these perspectives, to have a better understanding of the practice of SLO within the EI in Cameroon, it is worth examining how an SLO is embedded within the field of CSR and other related concepts like Sustainable Development (SD), Corporate Social Investment (CSI), Socially Responsible Investment (SRI), Corporate Citizenship (CC), Corporate Governance (CG), Stakeholder Engagement (SE) and Stakeholder Theory. This reflects on the paradigm shift that has occurred over the recent years, as there has been an expansion in the understanding and practice of CSR in the EI in Cameroon, playing a pivotal role in ensuring that real transformation occurs within the extractive milieu. This is due to the increasing awareness that the success of the business and its sustainability lead to responsible ethical business behaviour. As such, the underlining parameter centres on CSR, amongst others, and in the defining of CSR, a distinction between CSR and CSI is outlined - with SD basically seen as an interrelated concept to CSR. Although the main focus of the paper is on SLO, it is worth elucidating other related and relevant concepts like Stakeholder Engagement; Free, Prior, and Informed Consent (FPIC); and Corporate Citizenship (CC).

²² *Ibid.*, p. 63.

²³ Wilburn, K. and Wilburn, R. (2011). “Achieving Social License to Operate Using Stakeholder Theory”. *Journal of International Business Ethics*, 4(2), pp. 3-16; Moffat and Zhang (2014)., *op cit.*

1. The Interface of Corporate Social Responsibility and Corporate Citizenship

The principal concept to elaborate on is CSR, which is followed by several fundamental concepts relevant to the understanding of the practices of an SLO in the extractive environment. As issues surrounding CSR are currently becoming more pertinent to extractive companies - particularly in the context of their relationship with their immediate community, including their employees. Although CSR is a complex construct that is related to various but interconnected concepts. Since how developed countries define CSR certainly differs from how developing countries envision it.²⁴ But the World Bank’s definition of CSR is possibly the closest golden thread that creates a nexus in both developing and developed countries’ understanding of CSR. As it defines CSR as a business commitment and contribution towards sustainable economic growth. Which includes stakeholders like employees, their families, the local community, and society at large, aiming to improve the quality of life in ways that are best for both business and development.²⁵ Despite this, previously in the EI of Cameroon, CSR was generally understood to be hand-out donations, seen as a philanthropy exercise and supporting good causes. With the main shortfall with this kind of thinking being possibly because, while the motives were benevolent, it did not however alleviate the ever-growing social issues around the mines, such as poverty, unemployment, and poor living conditions.²⁶ In this light, *Wilson* stresses that CSR is commonly diverse, and thus covers a broader spectrum, which makes it nearly indescribable.²⁷ He also alludes that CSR emerged from the need to address wrong corporate behaviour regarding social issues that do not directly impact the business bottom line.²⁸ As such, *Roseland* re-echoes that companies need to place a high emphasis on the economic and social approaches as part of the overall mandate to the company’s everyday business.²⁹ In this sense, there is

²⁴ Prno and Scott (2012)., *op cit.*, pp. 346–357; World Bank (2012). *Large mines and local communities: forging partnerships, building sustainability*. Washington, D.C.: World Bank.

²⁵ World Bank (2012)., *op cit.*

²⁶ Hamann, R. (2008). “Introducing corporate citizenship”. (*In* Hamann, R., Woolman, S. and Sprague, C., eds. *The business of sustainable development in Africa*. Pretoria: Unisa Press. p. 20).

²⁷ Wilson, F. (2001). “Minerals and migrants: how the mining industry has shaped South Africa”. *Deadelus*, 130(1), p. 120.

²⁸ *Ibid.*

²⁹ Roseland, M. 2000. “Sustainable community development: integrating environmental, economic, and

also a need for a distinction to be drawn between CSR and CSI. Since CSI is commonly the point of departure, a realisation that a company cannot only capitalise off its environment - but is obliged to benefit it as well.³⁰ CSR goes a step further than just CSI and, according to *Blowfield and Murray*, companies are also becoming more aware of the balanced triple bottom line which implies profit (contributes to the economy), people (social investment), and planet (environmentally friendly).³¹ Equally, in terms of good practice in CG and for the benefit of CSR, companies are encouraged to follow standards of Integrated Reporting (IR). As the benefit of the IR provides a holistic view into the company's information, strategy, performance, governance, and sustainability – showing the various outputs to the different stakeholders in an integrated way.³² From this, it is worth examining briefly the notion of corporate citizenship, which is a concept considered to be closely interrelated to CSR.

Explicitly, according to *Freemantle and Rockey*, for any company or organisation to be able to demonstrate strong corporate citizenship, environmental and social awareness, as well as a positive contribution towards a healthier economy is needed.³³ As such, in some cases, corporate citizenship can be seen as an interdisciplinary structure whereby various disciplines like political science, sociology, legal studies, management studies, and economics, are starting to reconsider the role of business in society, in light of the ongoing global debates. Despite this, corporate citizenship serves as a perfect link that may help to connect these various disciplines. As in business, it has emerged as a role player in the social spheres by ensuring good governance. Thus, as per the CSI Handbook, good corporate citizens are concerned with social investment, because it facilitates sensible business and a sustainable future.³⁴ In this light, corporate citizenship can be seen as a systemic approach to corporate responsibility, which requires a wide

social objectives". *Progress in planning*, 54(2), pp. 73-132.

³⁰ Njenga, S. and Smit, A. (2007). *Leading the way through CSI: a guidebook for Corporate Social Investment Practitioners*. Randburg: Knowres, p. 4.

³¹ Blowfield and Murray (2011)., *op cit.*, p. 57.

³² Sloan, P. (2010). "Redefining stakeholder engagement: from control to collaboration". *Journal of corporate citizenship*, 36, pp. 25-40.

³³ Freemantle, A. and Rockey, N. (2004). *The good corporate citizen: pursuing sustainable business in South Africa*. Cape Town: Trialogue, p. 6.

³⁴ CSI handbook (2008). "Corporate social investment". <http://www.trialogue.co.za/assets/pdf/tsbh.pdf>

understanding of the political place of the company in the national and international communities, as well as the economic, social, and environmental impact and performance of the company as a whole. With *Marrewijk* affirming that corporate citizenship is emerging as a prominent term in the management literature, dealing specifically with the social part of the business dynamics.³⁵ As such, it is correct to say good corporate citizenship is about understanding and managing an organisation or company's direct influences and relationships with society in a way that minimises the negative and maximises the positive. In this light, *Njenga and Smit* accentuate that every business forms part of a social and environmental cluster within CSI, as such, a good business cannot be conducted in detrimental social and environmental circumstances.³⁶ Since corporate citizenship is characterised by the beneficial benefits of CSI, which at the same time is also concerned with the ethical and reputational demands of CSR.³⁷ In this sense, corporate citizenship can be seen as the glue between CSR and CSI, since it aims at a holistic approach to social and environmental sustainability in the long-term outcomes. As CSI emphasizes on the reputation of the company, CSR reflects the character of the company.³⁸ Consequently, it is expected that extractive companies should always 'complete the circle' and become good corporate citizens. This is because the issue of long-term sustainability also needs to be considered when engaging with the communities. Since the ideal situation is a place whereby the community can stand on its own feet long after the extractive company has left.

2. The Impetus of Stakeholder Engagement in the Sustainability Agenda

Aptly, it is worth reiterating that Sustainable Development (SD) highly has an interrelated relationship with CSR. With the World Commission on Economic Development (WCED), also known as the Brundtland Commission, having coined the most commonly used definition of SD in 1987. According to the WCED, humanity can make development sustainable – to ensure that it meets the needs of the present generation without compromising the ability of future generations to meet their own needs.³⁹ So, the concept of SD implies limits – not absolute limits, but limitations imposed by the present state of

³⁵ Marrewijk, M. and Hardjono, T. (2003). "European corporate sustainability framework for managing complexity and corporate transformation". *Journal of business ethics*, 44(2/3), pp. 121-132.

³⁶ Njenga and Smit (2007)., *op cit.*, p. 5.

³⁷ *Ibid.*, p. 5.

³⁸ *Ibid.*, p. 6.

³⁹ As cited by Blowfield and Murray (2011)., *op cit.*, p. 61.

technology and social organisation on environmental resources, and by the ability of the biosphere to absorb the demands and effects of human activities. Thus, SD is a conceptual and practical approach to combating poverty, social inequality, and environmental degradation.⁴⁰ It refers to maintaining development over time and furthermore reconciling development and the environmental resources on which society depends.⁴¹ Essentially, *Blowfield and Murray* point out that every company defines the concept of SD in terms of its own unique ability to achieve its individual aims, but also to a more critical examination of how commercial development activity is necessary to support life degree that jeopardises the ability of the future generations to support long-term SD.⁴² In this light, what SD intends to do is to integrate social, economic, and environmental factors towards planning, executing and application, to ensure that the mineral and petroleum resources, amongst others, could be preserved for long-term purposes. As the formation of the concept of SD can be traced back as far as the 1960s, thus, it becomes clear that the heartbeat of SD has come a long way in preserving the environment; while maintaining social and economic well-being. Notwithstanding, SD is concomitant with CSR in that it seeks long-term sustainable solutions. With one of the ways to forge and implement long-term solutions being when there is a mutual understanding between the extractive company and its adjacent community members. As such, one of the strategies that may assist in open communication between the extractive company and communities is via the stakeholder engagement approach. Since stakeholder engagement forms part of stakeholder management in that it forges ways and strategies to engage with different stakeholders.

With the *Minerals Council of Australia* affirming that fair stakeholder engagement is one that includes community members, and is essential for promoting and achieving long-term sustainable development.⁴³ Thus, the stakeholders might include the local communities, NGOs, local government and employees, etc. In addition, the World Summit on Sustainable Development (WSSD) believes stakeholders to be those people who have a vested interest in a particular decision, either as individuals or a group of people. As such, they might include

⁴⁰ Davis, T. (2007). "What is sustainable development?" p. 14. <http://www.menominee.edu/sdi/whatis.htm>

⁴¹ Elliot, J. (2006). *An introduction to sustainable development*. 3rd ed. London: Routledge, Taylor & Francis, p.100.

⁴² Blowfield and Murray (2011)., *op cit.*, p. 58.

⁴³ Minerals Council of Australia (2013). "Stakeholder engagement". <http://www.minerals.org.au>.

local community members, NGOs, governments, shareholders, and employees. With *Walton* adding that stakeholder engagement is an ongoing and multi-faceted process that can include a company: Providing the necessary information to the community for them to make an informed decision; possessing a plan of action to build capacity and equip the communities; listening and responding to the concerns of the community and other stakeholders; creating inclusiveness and open communication with the communities to feel part of the relevant decision-making processes; developing goodwill and enhancing the better understanding of the objectives and priorities, to enhance healthy confidence in decision-making; and establishing a realistic understanding of the potential outcomes.⁴⁴ As such, the principles and elements of stakeholder engagement, as elaborated in the *Minerals Council of Australia* report are communication, transparency, collaboration, inclusiveness, and integrity.⁴⁵ Indeed, such principles are to be adhered to throughout the engagement process with different stakeholders at all times. As one of the key elements of SLO acknowledges and highly recommends effective engagement with communities, which communicate the concerns and interests of the people - this level of engagement recognises the importance of community engagement as a continuous and complete process. With one of the ways for such effective strategic alignment being to engage with stakeholders by leading a more equitable and suitable social development by giving those who have a right to be heard the opportunity to be part of the decision-making process. From this perspective, in terms of sustainability, an SLO is supposed to be encouraged before, during, and after the extractive operations have begun.

3. The Substratum of Social Licence to Operate
Adeptly, Social Licence to Operate (SLO), as highlighted above, is the total acceptance within the local communities of the extractive companies and their operational activities. This is because the credibility of a company is dependent on honesty and open communication within the local communities. In this regard, starting on the right foot with the community will improve immensely the reputation of the company.⁴⁶ From this, SLO is understood to be a necessary step in developing a good relationship with all the stakeholders including the local

⁴⁴ Walton, S. (2007). "Site the mine in our backyard". *Organization and environmental*, 20(2), p. 149, p. 177.

⁴⁵ Minerals Council of Australia report (2013)., *op cit.*

⁴⁶ Nelsen, J. (2005). "Social licence to operate survey". <http://www.mining.ubc.ca/files/SLO%20CIM%20L.pdf>

communities.⁴⁷ With *Veiga et al.*, for instance, emphasizing that it is in the best interest of the mining companies to maintain a healthy relationship with the local communities adjacent to where they are operating.⁴⁸ Thus, since an SLO must be owned and cannot be applied for. It is of essence that culture, politics, and environmental aspects, are some of the attributes that characterise and distinguish each extractive community - which need to be factored in regarding the importance of the SLO process. In this light, *Prno and Scott* affirm that an SLO acknowledges its existence when a mining company is having an on-going relationship with the local people in order for them to conduct its operational activities. As the local communities hold strong and influential power in granting an SLO, which can greatly contribute to the mining development process.⁴⁹

From this perspective, for the purpose of this paper, the understanding of an SLO is conceptualised within the context of the EI. As such, *Nelsen and Scoble* opine that an SLO represents a genuine opportunity to transform mining into an activity that is recognised to promote the triple-bottom-line in the local communities where they operate.⁵⁰ With *Miltojevic* adding that an SLO stems from being right standing with the local communities and addressing the social issues that they might be faced with.⁵¹ Thus, taking into consideration an SLO with communities has become a significant CSR agenda and a standard requirement. Equally, proper communication underlies an SLO. This is because an SLO addresses issues surrounding the relationship between a mining company and local communities through participation and a two-way communication process.⁵² Since the true benefits and legacy of an SLO can be achieved when the reputation and acceptance of the extractive company into the community are through genuine relationships, which are solely based on trust and mutual understanding. It is then that the community can view the mining company as a trustworthy and respectful partner that can result in a win-win

⁴⁷ The Fraser Institute (2012)., *op cit.*

⁴⁸ Veiga, M., Scoble, M. and McAllister, M. (2001). "Mining with communities". *Natural resources forum*, 25, pp. 191-202.

⁴⁹ Prno and Scott, (2012)., *op cit.*, p. 346.

⁵⁰ Nelsen, J. and Scoble, M. (2006). *Social licence to operate mines: issues of situational analysis and process*. Vancouver: University of British Columbia. Department of Mining Engineering, p. 223.

⁵¹ Miltojević, V. (2010). "Cultural dimension of sustainable development as a presumption of local communities development". *Quality of life*, 3(1-2), p. 33.

⁵² Nelsen and Scoble (2006)., *op cit.*, p. 47.

outcome.⁵³ In this sense, *Cowe and Hopkins* articulate that the reputation of the company towards a healthier relationship with its community is built on seven attributes.⁵⁴ These attributes that add to a mutual relationship between the extractive company and its adjacent community members are: trust, reliability, quality, consistency, credibility, relationships, and most importantly, transparency. As such, the importance of acquiring an SLO with communities is currently becoming a significant approach and procedure in Cameroon, due to the implementation of EITI guidelines in the EI.

This is in line with *Prno and Scott*, who assert that SLO is becoming a universal phenomenon – as communities around the world want to play a pivotal role in decision-making and be assured that industries surrounding them will take their safety and the environment into consideration.⁵⁵ Although they contend that, to a greater degree for mining companies, an SLO reduces possible social risks and assists in growing operations to move forward without community conflict.⁵⁶ Since for the communities, the granting of an SLO indicates that they have been meaningfully considered in decision-making, and have fully benefited from the extractive project. In this regard, *Veiga et al.* outline three factors that form the basis for understanding the relevance of an SLO within a mining context, for instance, that can be utilised in the EI: (i) Environmental impacts must not pose any unacceptable risk to associated communities; (ii) mine development must be perceived to bring a net benefit to the community – which can be achieved by ensuring that community diversification must be part of mine planning, development and operation and post-closure plans; and (iii) communications between the mining company and the community must be transparent and effective – by encouraging the community to partake and share in decisions that have a direct impact on them.⁵⁷ Despite this, one of the most vital facets in ensuring the involvement of the community members in the process of an SLO is the Free, Prior, and Informed Consent.

⁵³ Prno and Scott, (2012)., *op cit.*, p. 346; Browne, A., Stenlik, D. and Bulkey, A. (2011). "The green: sustainable development". *Local environment*, 16(7), pp. 206-221.

⁵⁴ Cowe, R. and Hopkins, M. (2008). *Corporate social responsibility: is there a business case? The corporate social responsibility reader*. New York: Routledge/Taylor & Francis, p. 4.

⁵⁵ Prno and Scott (2012)., *op cit.*, p. 346.

⁵⁶ *Ibid.*

⁵⁷ Veiga *et al.* (2001)., *op cit.*, p. 190.

4. The Nexus between FPIC and SLO

The Free, Prior, and Informed Consent (FPIC) relates to an SLO in the sense that, it also requires complete and continuous engagement with the local communities before starting any operations. Since it is important to put people at the forefront by including them in decision-making processes. In this light, *Sosa* alludes that the people have the full right to participate in decisions affecting their land and resources - which includes the right to say no to natural resource development.⁵⁸ This notion also highlights the importance of informed public participation. As such, it is vital to be open and let the community members know and understand what their involvement in decision-making would mean. Thus, the nexus between FPIC and SLO can be appreciated in the following context: FPIC is primarily recognised as a regulation from the government whereas SLO is something a project is required to obtain without government involvement; equally, the goal of FPIC is to ensure that consent is obtained before a project proceeds. It is not readily concerned with maintaining consent after a project has already been approved, while SLO takes a longer process route and emphasizes the need to maintain community support throughout the lifecycle of the project. Moreover, FPIC is rooted and focused mainly on relations with the indigenous people, while an SLO does not differentiate between the types of communities that it applies to. The two approaches can also be differentiated on their degree of formality in how the process of FPIC works.

Notwithstanding, regardless of the differences between FPIC and SLO, it is worth noting that both advocate for a strong mutual goal – namely an objective of securing community support for a proposed undertaking. In this sense, *Nelsen* adds that FPIC refers to the consent of the community members aligned with their customary laws and practices.⁵⁹ As such, in defining FPIC, *Goodland* concurs that FPIC aims to develop and enhance community participation.⁶⁰ Since to him, FPIC as well as community participation form an integral part of an SLO, which serve as a foundation for CSR. In this light, *Goodland* outlines the attributes characterising

⁵⁸ *Sosa, I. (2011). Licence to operate: indigenous relations and free prior and informed consent in the mining industry. Sustain analytics. Amsterdam, The Netherlands, p. 2.*

⁵⁹ *Nelsen, J. (2006). "Social licence to operate". International journal of mining, reclamation, and environment, 20(1), p. 161.*

⁶⁰ *Goodland, R. (2004). "Free prior and informed consent and the World Bank Group". Sustainable development law and policy, 4, pp. 66-74.*

the relevance of FPIC as follows: FPIC is freely given; fully informed; obtained before permission is granted to a proponent to proceed with the project; and should be consensual. From this, it is worth reiterating that when FPIC is fully acknowledged, it could pave a way for corporate citizenship, and thus, SLO. In this regard, it is worth examining the trends and practical implications of SLO in the EI in Cameroon.

II. TRENDS AND PRACTICAL IMPLICATIONS OF A SOCIAL LICENCE TO OPERATE IN THE EXTRACTIVE INDUSTRIES IN CAMEROON

Consummately, it is worth stressing that despite the resounding appreciation of the concept of SLO in other countries, its application is relatively new within the Cameroonian context. In this light, the qualitative method is used to examine the various processes followed by the extractive companies operating within the country in obtaining an SLO. Notwithstanding, the country has formal structures for obtaining licenses and contracts for conducting activities in the EI. These include the existing laws and regulations, which require companies to obtain a formal license (for exploration, exploitation, development, and production) from responsible government agencies like the Presidency of the Republic, the Ministry of Mines, Industry and Technological Development (MINMIDT), the Support and Promotion Framework for artisanal Mining (CAPAM), the National Hydrocarbons Company (SNH), and the National Refining Company (SONARA). In addition, investors will also be required to gain approval from the Petroleum Upstream Regulatory Authority. Despite this, it is worth reiterating that obtaining formal licenses is totally different from securing the acceptance and approval of the local communities for extractive operations. As such, after or alongside the formal licensing process, the companies also have to apply for an SLO through community development and/or engagement strategies. Since companies that are willing to apply for an SLO have to involve local government authorities, community leaders, and the CSOs at the level. Thus, as in many other countries with extractive resources, the government of Cameroon has indirectly introduced some guidelines that require companies to obtain an SLO to operate. For instance, Part V, Chapter III of the Petroleum Code of 2019 stipulates the specific areas in which companies should continually involve local government authorities.

Besides, Part V not only defines government participation in the oil and gas activities - but also addresses local content issues in the petroleum sector like the participation of Cameroonians in the supply chains of the companies, training and employment of nationals, CSR, and related issues. With Section 87 (1) categorically stating that “*The local content referred to in Section 86 above shall comprise a human resources development component and a component pertaining to the use of local services and goods supply companies*”. While Subsection (2) provides that “*The local content adopted in Petroleum Contracts shall include: (a) a vocational and technical training programme for Cameroonians in order to scale up their skills in the petroleum trades; (b) any other aspect likely to enhance local content*”. In this light, the law implicitly enshrines the role of the local authorities to prepare CSR guidelines in their constituencies, oversee CSR initiatives, and ensure public awareness of issues surrounding the relevant sector. Equally, in the case of the mining sector, Part VII of the Mining Code of 2016 has additional guidelines that directly or indirectly promote SLO in the sector, with Section 164 stating that “*The development of mining resources and industrial quarries must include a "local content" component which shall specify the spin-offs of the selected mining and quarry projects on Cameroon's economic, social, cultural, industrial and technological development*”. While Section 165 (1) provides that “*The local content referred to in Section 164 above shall include a human resources development component and a domestic industries and business development component*”.

As a matter of fact, given the relatively short span of operations in the EI in Cameroon, the SLO has a mixed history. Indeed, to date, the majority of large-scale investors have established CSR programmes hoping to obtain a social license. With companies typically investing in healthcare or educational programmes, or the connection of local communities to electricity, which are generally in line with the community and environmental interests. Nonetheless, it is observed that these initiatives seem not to satisfy the expectations and requirements of the communities, although the majority of the programmes have been conceptualised by multiple stakeholders including the local officials (Members of Parliament and Councillors), CSOs, and community leaders. Equally, reports, especially media coverage, have revealed conflicts in areas with large-scale mining operations, mainly fueled by poor communication between the different parties - communities, companies, and the government. As a result, the EI, especially the mining sector, is viewed

by the local communities as a curse rather than a blessing. These conflicts have also gained the attention of politicians, some of whom have used the disputes to advance their own political agenda. Similar trends and perceptions of the communities with respect to the hydrocarbon sector are evident. This is because the sector is beset by poor communication between the stakeholders, as well as the leveraging of disputes in the sector to advance political interests. As such, an extensive dialogue has been taking place with regard to the role of the extractive companies in the communities surrounding their operations. These discussions, in some way, have helped the communities and the country to understand the fundamental nature of these large-scale investments. Likewise, they have contributed to the understanding of the fountain and higher community expectations of the benefits that the EI should bring to the local area. In this light, before diving to analyse the factors propelling the practices of SLO in the EI in Cameroon, the necessity to secure and maintain an SLO by the extractive companies, the trends, and prospects of SLO in the EI in Cameroon, it is worth examining the contextual framework of the local community.

1. The Premise of Contextualising the Local Community in the EI in Cameroon

Explicitly, extractive companies are increasingly operating in areas characterised by extreme levels of poverty, lack of resources, and corruption within the local government.⁶¹ As such, this signals the relevance and importance of obtaining an SLO in a proper manner in Cameroon. With *Blowfield and Murray* reiterating that an SLO is the public's acceptance of a company's impact on wider society.⁶² Since the success of the extractive company depends to an increasing extent on the degree that the expectations of the local communities are being met. As such, the consequences of not having an SLO can have direct implications for the companies: in revenues, difficulties in attracting skilled employees, delays in extractive activities due to strikes, and possible closure due to community opposition to the extractive operations. Therefore, building towards social capital the relationship between an extractive company and its surrounding communities will have a win-win outcome for both parties. This is appropriate, given the significance of the ‘community’ as a stakeholder in the SLO process. With *Veiga et al.*

⁶¹ Donovan, W. (2011). “Socially responsible investing strategies”, p. 50. <http://social=investing.about.com/od/srstrategies/a/SRIstrategies.htm>.

⁶² Blowfield and Murray (2011)., *op cit.*, p. 57.

affirming that mining communities are where the population is significantly affected by a nearby mining operation.⁶³ Such a community may be associated with the extractive venture through direct employment and other impacts like sharing of land and environmental issues. Equally, *Prno and Scott* add that in the mining environment, local communities are emerging as key stakeholders and governance actors.⁶⁴ Since over the years, the extractive companies have progressed in terms of engaging with the communities - they emphasize that the key to any successful community engagement is in the understanding of the perspective of the communities as stakeholders.⁶⁵ This is to possibly minimise the risks of negative impacts like disruption, or even the denial of an SLO, in cases where the extractive activity has not yet considered the vital role of the community members as key stakeholders. With *Walton* further emphasizing that mining companies increasingly recognise the importance of maintaining an SLO, thus, acknowledging the benefits of engaging constructively with their communities. Since it is useful when engaging with the communities to understand their common belief and what generally binds them together.⁶⁶

In addition, *Jenkins and Obara* note that key stakeholders, and the ones that are closely tied to the social welfare of the country, are, of course, mining communities⁶⁷. As such, the communities play a critical role in consenting to extractive operations, and are therefore important because of the impact they face from the extraction. Since as primary stakeholders, communities play a vital role in the right of the EI to operate. Thus, a healthy and long-lasting relationship between the extractive companies and the local communities cannot be over-emphasised. Since it is what will ultimately keep the extraction in a conflict-free business for a long time. Therefore, when addressing the issue of the mining communities, the basics of sustainable development need to be interpreted. In this sense, they believe that mining has a huge positive impact on the local communities.⁶⁸ These positive effects include the creation of new communities and wealth, income from export revenues and royalties, technology transfer, skilled employment and training for the local populations, and improvements in infrastructure, such

⁶³ Veiga *et al.* (2001), *op cit.*, p. 1.

⁶⁴ Prno and Scott (2012), *op cit.*, p. 347.

⁶⁵ *Ibid.*, p. 348.

⁶⁶ Walton (2007), *op cit.*, p. 177.

⁶⁷ Jenkins, H. and Obara, L. (2006). *Corporate Social Responsibility (CSR) in the mining industry-the risk of community dependency*. Belfast: Queen's University, p. 2.

⁶⁸ *Ibid.*

as roads, schools, and health clinics. Since the global environment in which extractive companies operate is under scrutiny, it is imperative to maintain a good reputation with regard to social issues. In this connection, since the extractive companies are perceived as agents to bring an economic boost to the local community, they have to involve the local community as part of the planning, development, operation, and post-closure activities. For this to be achieved, there must be effective communication between the extractive company and the community. With the people being encouraged to take part in decision-making, especially when it directly affects their future. This is because community participation assists extractive companies to avoid possible risks to the sustainability of both their operations and those of the community. In this light, community development is appreciated when there is active development aimed at social justice, mutual respect, and identifying the community as one of the key stakeholders. From this perspective, *Gottlieb* describes community engagement as a process of building relationships with community members, who will in return work side by side with you as an ongoing partnership in the long term.⁶⁹ Since community engagement is about a company building an army of support for its mission, with the end goal of making a better place to live.

Consequently, for the local communities, the granting of an SLO often means they have been effectively involved in the decision making process and have received satisfactory benefits from the project, while for the mining companies, an SLO reduces social risk and helps to allow operations to continue without friction from the community.⁷⁰ Thus, given the purpose of this paper, which is to substantiate and examine the concept of an SLO and its significance and implication in the EI in Cameroon. The SLO can be seen, to a certain extent, as informal relationships between the extractive company and the communities. With *Kemp* articulating that an SLO can also be perceived as '*community approval to operate*', which extends beyond the formal legal approvals and government regulations.⁷¹ Therefore, to maintain an SLO, extractive companies must avoid conflict of interest as far as promises and commitments are concerned. Since it is accepted by

⁶⁹ Gottlieb, H. (2006). "Introduction to community engagement". <http://www.Help4Non=Profits.com>.

⁷⁰ Prno and Scott (2012), *op cit.*, p. 347.

⁷¹ Kemp, D. (2010). "Community relations in the global mining industry: exploring the internal dimensions of externally oriented work". *Corporate social responsibility and environmental management*, 17(1), p. 2.

an extractive company to be accountable to the communities throughout all the stages of the project cycle, and not engage in any irresponsible behaviour - which can jeopardise the socio-economic development of the community. From this, it becomes crystal clear that for the benefit of both the communities and the extractive company, the issue of an SLO needs to be addressed. With extractive companies having a significant role to play with and along their surrounding communities in transforming and developing the socio-economic issues, as well as the environment.

2. The Factors that can Propel the Practices of SLO in the EI in Cameroon

As highlighted earlier, the concept of SLO evolved in the mining sector in response to social and political risks. Although it is widely applied in other industries like oil and gas, and other development discourses involving the CSOs and governments. Indeed, since the 1990s, SLO has been implemented by various private organisations in developed countries. But as indicated above, the application of the concept is relatively new within the Cameroonian context. Thus, before diving to illuminate the factors that have buttressed and impacted the practices of SLO in the EI in Cameroon, it is worth considering the experiences of SLO in the EI, which can ignite and inspire the *modus operandi* in Cameroon:

(a) Mining Sector: Given the growing discrepancies in local expectations related to minerals-led development, it is worth reiterating that SLO has emerged as an industry response to the increasing community opposition to mining operations and a mechanism for ensuring the viability of the sector.⁷² Indeed, the mining sector has positioned the social license as one of its greatest challenges and is making efforts to ‘obtain’, ‘maintain’, ‘retain’ and ‘renew’ social licenses. In this light, some useful lessons from the mining sector are offered by companies like BHP Billiton Aluminum.⁷³ In fact, in partnership with the Wild Lands Conservation Trust in South Africa, the company funded the establishment of the Indigenous Trees for Life Programme, to create livelihoods for disadvantaged members of the local community of Mzimela, while also contributing lasting environmental benefits. Equally, the programme contracts unemployed people to plant and care for seedlings in the local forest, then sell a portion of these seedlings to generate income. Participants are

⁷² Owen, J. and Kemp, D. (2013). “Social License and Mining: A Critical Perspective”. *Resources Policy*, 38, pp. 29-35.

⁷³ BHPB (2011). “Our future: Sustainability report 2011”. BHPB, Melbourne, Australia.

trained and mentored in indigenous tree propagation, given starter packs, and a market through which to sell a portion of the trees they propagate. In many cases, the income generated from the programme is the sole source of income for participants and their families.⁷⁴ The company has also supported a graduate programme that works to support career development; which on an annual basis, it has recruited approximately 400 graduates into meaningful business roles. With each graduate having had the opportunity to work across teams, businesses, and geographic regions. This can be seen as an example of a company that has successfully balanced shareholder and community interests. Similarly, using the case of large-scale gold mining in West Africa, *Kemp and Owen* show that managing the expectations of communities may be difficult in the presence of pressing socio-economic issues and grievances. Since a range of issues can ignite conflicts, notably the issues of land speculation and illegal mining.⁷⁵ In the case of land speculation, local villages might strategically plant crops and erect structures in areas that the mining company is likely to acquire in the hope of securing compensation – which hinders the expansion of the mine. Another issue of concern was the increase in illegal mining, a phenomenon associated with people moving to the mining area from outside communities. With in-migration dramatically changing local social conditions.⁷⁶

(b) Petroleum Sector: Several large-scale investments, particularly in the oil and gas sector, have been shifting towards the SLO approach rather than implementing CSR programmes as it has been demonstrated to help companies to save money and properties, and increase profits in their operations. In this light, *Wilburn and Wilburn* allude that companies like Royal Dutch Shell, Chevron Texaco, and the Philippine National Oil Company, with projects on the coast of Palawan Island in the Philippines, have benefited through transparent initiatives to communities while applying and also maintaining their SLO.⁷⁷ Despite this, literature shows that the majority of companies in the petroleum sector continue to face challenges of resistance from communities despite following the same standard

⁷⁴ *Ibid.*

⁷⁵ Kemp, D. and Owen, J. (2013). “Community Relations and Mining: Core to Business but not ‘Core Business’”. *Resources Policy*, 38, pp. 523–553.

⁷⁶ Hilson, G. and Garforth, C. (2012). “Agricultural Poverty’ and the Expansion of Artisanal Mining in Sub-Saharan Africa: Experiences from Southwest Mali and Southeast Ghana”. *Population Research and Policy Review*, 31(3), pp. 435–464.

⁷⁷ Wilburn and Wilburn (2011)., *op cit.*

framework for obtaining an SLO. As such, it is worth noting that the framework and process can be the same, but there are other unique variables that the investors have to consider while applying for an SLO, for example, the location of the discoveries (Onshore/offshore), needs and status of the socio-economic development of the communities, etc.

In this connection, and for the purpose of this paper, SLO is considered as the acceptance of the company operations by the communities in which the extractive activities are taking place – with such acceptance being underpinned by four factors. The first factor is the engagement between the local community members and the extractive companies measured by the quality and quantity of the contact, as well as the treatment of the community members. Indeed, this engagement needs to engender goodwill and trust, which will subsequently increase the likelihood that the activities of the company will be accepted by the community, thus, resulting in the granting of the SLO. Most importantly, consultations should underlie all stages of the extractive project, including exploration, development, construction, operations, and planning for closure. With the second factor relating to the socio-economic impacts and benefits of the project on the local area, and the extent to which an extractive company manages and mitigates the impact of the operations to promote local development, for example, through employment opportunities for the local people, training and development pathways for the young adults, or infrastructure projects. This is because the success of such initiatives will influence how the company is perceived and trusted by the community stakeholders. If overall, the expected positive impacts are outweighed by negative impacts, or if there are no positive impacts, this will erode the trust of the community in the extractive company. While the third factor links to procedural fairness, as the acceptance of the community of the extraction activities will also depend on how the community members perceive the procedures through which the company decisions are made. Since procedural fairness refers to whether the individuals perceive that they have a reasonable voice in the decision-making process related to the activities of the company, including community initiatives.⁷⁸ As such, the perceived procedural fairness reflects the overall satisfaction with a decision-making process and is a foundation for people to develop trust in a given entity or authority. With the authority conveying respect and

⁷⁸ Besley, J. (2010). “Public engagement and the impact of fairness perceptions on decision favorability and acceptance. *Sci. Commun.*, 32, pp. 256-280.

consideration for welfare by adhering to fair procedures. The fourth factor relates to the relationships of the actors, i.e., the interactions between the various stakeholders – as the communities often comprise of diverse groups with different leaders and interests. In this sense, the stakeholders at the local community level can be family units, interest groups, property owners, property users, businesses, farmers, etc.

Besides, in some situations, entities that operate at the national or international levels, such as NGOs, religious groups, and social justice groups, can also claim an interest in the actions of the company. Thus, in establishing an SLO, linkages need to be established with a wide range of stakeholders – this is to create trust, which plays a crucial role in acquiring and maintaining an SLO. Since the trust between the company and the community occurs when the latter believes that the company is adhering to a set of principles, as described in the theoretical framework, and has the knowledge and skills necessary to manage the particular issues of interest of the community, and not to exploit any vulnerability. As adherence to these principles underpins the willingness of the community to grant an SLO to a company. From this perspective, the CSOs play important roles in the process of obtaining and maintaining an SLO. This is affirmed by *Slack*, who notes three dimensions with respect to the role of CSOs as facilitators in obtaining an SLO. These include being involved in building the capacity of the communities to manage joint company-community projects and preparing the communities for negotiations and discussions that companies propose as part of the process. The study examined the Tintaya Mine in southern Peru. It found that the dialogue between the community and mining companies was successful because the community members had received training in dialogue skills and other pieces of training that enhanced their technical competencies for the mining operations, as well as the environmental and social impacts of the mine.⁷⁹ Consequently, the communities were able to interpret technical information provided by the mining companies and were able to suggest mining-related reforms and regulations.

3. The Necessity of Securing and Maintaining an SLO by the Extractive Companies

Although some definitions and indicators have been provided on what constitutes an SLO, however, the processes to obtain it are complex and may vary from one community to another. For instance, a company may have an SLO from a small segment of the

⁷⁹ Slack, K. (2009). *Mining Conflicts in Peru: Condition Critical*. Oxfam America, Boston.

community or from the leaders of one segment even though the others are against the project. Equally, a company operating in two different communities may apply different strategies based on the characteristics of the communities involved. As such, a company that uses a particular strategy may be granted an SLO in one community but not in another. As seen in the case of Royal Dutch Shell, which was granted an SLO by communities in the Philippines but was rejected by some communities in Nigeria despite applying the same strategies.⁸⁰ From this, it is worth noting that obtaining an SLO can present several challenges in practice, to extractive companies in gaining acceptance in the communities where they operate.⁸¹ This is because securing and maintaining an SLO entails more than having a well-funded CSR programme. In this light, the following three key issues must be resolved in establishing an SLO: (i) A clear definition of ‘the community’ as elaborated above – is a question that must be addressed in terms of whether there is a strict geographical limitation to ‘community’, and if elected officials are given greater or equal status to local citizens; (ii) a clear understanding of the process that validates any decision-making, for example, the majority vote of a local governing body or a referendum, when there is a lack of consensus within the ‘community’; and (iii) an understanding of what represents or constitutes an adequate level of consent – since in most communities in which the companies now operate, there are multiple groups who may claim to define what is acceptable to the community but, in fact, they may not. From these, to achieve any level of consent or simply consultation that informs, one must start to define the community, while identifying the groups that matter and their expectations. This is because “SLO presupposes that all of the families, clans, interest groups, and institutions in a geographic area have arrived at a shared vision and attitude towards a resource development project. Since this kind of cohesion is often absent, it needs to be built. That is why earning an SLO often involves building social capital in a process that is also known as ‘community building’, ‘capacity building’ and ‘institutional strengthening’, among others”.⁸²

Appositely, to achieve this, the extractive companies must start by identifying the community members who wield some influence, such as community leaders who speak for the community – even if the communities comprise of diverse groups of

stakeholders with many and varied leaders and interests. Nonetheless, in decentralised States, the company may be faced with the challenge of identifying the leader or spokesperson with whom to start a dialogue, i.e., the appropriate decentralised level to start and end. Indeed, in Cameroon, this may be at the regional level, council level, or village level. Despite this, it remains critical that in establishing an SLO, linkages need to be established with a wide range of stakeholders, who may encompass customers, suppliers, and other business partners, as well as the social, political, and government entities. Equally, within the communities, the stakeholders may include family units, interest groups, property owners, property users, businesses, and farmers. While as earlier mentioned, in some situations the stakeholder groups that operate in a national or international arena like NGOs, religious groups, or social justice groups, can claim to have a stake in the actions of the company, for which the company cannot ignore them. As such, if a company ignores other stakeholders because a large landowner or a government entity agrees to a proposed contract, this could be seen as the imposition of one’s will upon others, which may fail to obtain an SLO. In this sense, *Wilburn and Wilburn* propose that stakeholders should be divided into two groups - vested and non-vested.⁸³ With the vested stakeholder groups having the voice and vote in awarding the SLO, while the non-vested stakeholder groups would have only a voice. In fact, on the one hand, the vested stakeholder groups can be defined as those who have a right to the possession of something tangible in the community in which an SLO is being requested, for example, owning physical property or residing on a property with resources, such as water and arable land. These vested stakeholder groups could also claim the rights of future generations in the discussions on granting an SLO. With consent then being defined as some level of majority votes, thereby avoiding the power of one stakeholder group to override the majority. While on the other hand, non-vested stakeholder groups would be those who have an interest in the activity that is being pursued in the license to operate. These groups would have a voice at the table, as they could offer examples of the consequences of the implementation of similar activities in other areas.⁸⁴ Nevertheless, it is worth noting that if the analysis found limited alignment between the company’s norms and those of the stakeholder groups, or between the norms of different stakeholder groups (including non-vested ones), the company could consider not pursuing the

⁸⁰ Wilburn and Wilburn (2011), *op cit*.

⁸¹ Zandvliet and Anderson (2009), *op cit*, p. 5.

⁸² Thomson and Boutilier (n.d.) *cited in* Wilburn and Wilburn (2011), *op cit*, p. 8.

⁸³ Wilburn and Wilburn (2011), *op cit*.

⁸⁴ *Ibid*.

project any further. But in practice, this is not always the case as companies often proceed only after they have conducted their feasibility study and cost-benefit analysis without securing a robust SLO - which tends to ignite conflicts. As such, there is a need to be engaged in fruitful dialogue, which entails a genuine attempt on the part of the company to make changes to meet any serious concerns of the stakeholder groups. With the stakeholder groups also willing to understand the limitations of the company, including economic constraints - since the process of SLO entails giving and taking. As a result, this collaborative effort must produce indicators for measuring the various agreed outcomes. As the social license requires that the indicators for success are agreed on by the company and the community who together need to define a good outcome.⁸⁵ The outcomes could include improved health, education, jobs, infrastructure, or protection of the environment. In this light, the company must always monitor the progress of the project against any agreed outcomes to ensure that progress reflects the agreed consensus. Since laxity in monitoring may result in serious negative consequences, especially if the agreed outcomes are not achieved.⁸⁶

4. The Impacts and Prospects of a Resounding SLO in the EI in Cameroon

In line with the discussion above, the impacts of the EI include among others, the occupation of land for extraction, processing, and auxiliary activities, the use of large volumes of water mainly for the processing of ores, development of infrastructure, disposal of waste, in some cases production of acidic leachates, as well as the generation of dust and noise due to blasting and traffic of heavy vehicles. In effect, all of these impacts may cause health and environmental problems to a number of recipients including humans, the surrounding ecosystems, and social structures.⁸⁷

⁸⁵ Kurlander, L. (2001). *Newmont Mining: The Social License to Operate*. Presentation at the Global Executive Forum, October 2001. Retrieved from <http://www.ucdenver.edu/academics/InternationalPrograms/CIBER/>

GlobalForumReports/Documents/Newmont_Mining_Social_License.pdf.

⁸⁶ *Ibid.*

⁸⁷ Beck, K., Mariani, M., Fletcher, M.-S., Schneider, L., Aquino-López, M., Gadd, P., Heijnis, H., Saunders, K. and Zawadzki, A. (2020). "The impacts of intensive mining on terrestrial and aquatic ecosystems: A case of sediment pollution and calcium decline in cool temperate Tasmania, Australia. *Environ. Pollut.* 114695; Bisquert, D., Castejón, J. and Fernández, G. (2017). "The impact of atmospheric dust deposition and trace elements levels on the villages surrounding the former mining areas in a semi-

Consequently, *Di Noi and Ciroth* clearly express that the way that the environmental and social dimensions in the EI interact with each other is considered very pertinent and shows how often environmental risks and impacts also end up being risks for and impacts on societal stakeholders.⁸⁸ In this light, it is observed that the views about the benefits and challenges resulting from extractive activities are contradicting. Since in some cases, the local communities welcome the increased employment and income, as well as the improvement of the infrastructure in the extractive areas – even though tensions may develop between the local communities, companies, and regional/national authorities. As such, on the one hand, it is important to identify all the sustainability hotspots and prevent or mitigate such tensions. This can be achieved if the extractive companies implement appropriate CSR strategies, with the aim to minimise their production footprint and improve the interactions and relationships with the local communities. A position affirmed by *Kamenopoulos et al.* that CSR is a general framework that aims to map and assess the performance of a mining company by taking into account societal, environmental, and economic issues.⁸⁹ While on the other hand, the SLO can only be considered as an informal social contract, which does not have the form of a legal agreement.

Notwithstanding, since SLO is also based on the principles of the Global Mining Initiative, which was developed in 1998 by the major mining and metals companies, with the aim to advance the industry's role in the transition to sustainable development.⁹⁰ Thus, the concept of SLO is widely accepted by the industry as an essential tool for success, prompting

arid environment (SE Spain)". *Atmos. Environ.*, 152, pp. 256–269; Komnitsas, K., Xenidis, A. and Adam, K. (1995). "Oxidation of pyrite and arsenopyrite in sulphidic spoils in Lavrion". *Miner. Eng.*, 8, pp. 1443–1454; Xenidis, A., Papassiopi, N. and Komnitsas, K. (2003). "Carbonate rich mine tailings in Lavrion: Risk assessment and proposed rehabilitation schemes". *Adv. Environ. Res.*, 7, pp. 207–222.

⁸⁸ Di Noi, C. and Ciroth, A. (2018). "Environmental and Social Pressures in Mining. Results from a Sustainability Hotspots Screening". *Resources*, 7, p. 80.

⁸⁹ Kamenopoulos, S., Agioutantis, Z. and Komnitsas, K. (2018). "A new Hybrid Decision Support Tool for evaluating the sustainability of mining projects". *Int. J. Min. Sci. Technol.* 28, pp. 259–265.

⁹⁰ International Council on Mining and Metals (ICMM) (2016). *Role of Mining in National Economies*, 3rd ed.; International Council on Mining and Metals (ICMM): London, UK.

companies to look well beyond their self-interest.⁹¹ Since SLO aims to bridge the gap among the views of the most important stakeholders involved in the extractive activities, particularly, by taking into account the views of the general public, from the design phase of a project, even before any important decision is taken. As such, the existence of an SLO means that the project has sufficient social approval, which is a prerequisite for its sustainability in the long term.⁹² This is because as elaborated above, SLO was first developed as a result of the criticism of mining projects and as a mechanism to ensure sustainable mining, environmental protection, cooperation with the local communities, preservation of the quality of life in the affected regions and finally the viability of the mining sector.⁹³ In this sense, SLO may be considered as an integral part of CSR, which can only be granted when trust has been developed between the extractive company and every major local stakeholder. Despite this, it is observed that several economic, social, political, and environmental factors affect the views of all involved stakeholders, as it is also widely accepted that these views may be different in different regions of the same country or different countries. In addition, it is worth noting that these views may also change after a short period, if for example the economic conditions in a region, country, or at the international level change. Besides, the familiarity of a region with the extractive activities, as well as the impacts caused by the previous extractive projects in a specific region of a country are also important decisive factors.⁹⁴ Equally, gender issues may also be considered, since men and women judge mining operations from different perspectives.⁹⁵ Moreover, the methodology needed to be followed for granting an SLO is often complex and requires different approaches, to identify the social,

legal, and political risks, as well as the use of surveys and different models.⁹⁶

In addition, regarding artisanal and small-scale mining, which mainly occurs in several developing countries like Cameroon, the situation may be very different from country to country. It is known that it offers some socio-economic benefits but environmental problems, which depend on the mining method and the scale of operation, may often be devastating.⁹⁷ In such cases, a kind of SLO is required but the involvement of the local governments is very crucial in order to implement its basic principles. Apart from this, it is worth stressing that several reforms including education and training, adoption of improved technologies, increased participation of local stakeholders in decision making, and new legislation are required to ensure socio-environmental sustainability.⁹⁸ Since in economic terms, the performance of an extractive project can be assessed by three indicators, namely the value of production, the value added, and the level of employment. As such, it is widely accepted that the level of employment should be closely related to the social aspects in the extractive region. From this, the overall impact of the EI can then be assessed after a detailed analysis and deeper understanding of other indicators including water consumption, emissions, productivity, profit, tax payments, land use, communication, transparency, and community involvement. Indeed, all of these factors are strongly related to the SLO and may exhibit reflections at the national level, especially if the industrial performance in social and environmental issues is poor. Nonetheless, it is also probable that the local people may have a more positive view of exploration and extractive activities compared to the general nationwide public. In this light, SLO may result in noticeable benefits for all interested parties, especially for the extractive company to have a smooth operation, CSR, and triple bottom line

⁹¹ Ruokonen, E. (2020). "Preconditions for successful implementation of the Finnish standard for sustainable mining". *Extr. Ind. Soc.*, 7, pp. 611–620.

⁹² Lacey, J. and Lamont, J. (2014). "Using social contract to inform social licence to operate: An application in the Australian coal seam gas industry". *J. Clean. Prod.*, 84, pp. 831–839; Bice, S., Brueckner, M. and Pforr, C. (2017). "Putting social licence to operate on the map: A social, actuarial and political risk and licensing model (SAP Model)". *Resour. Policy*, 53, pp. 46–55.

⁹³ Owen, J. and Kemp, D. (2013). "Social licence and mining: A critical perspective". *Resour. Policy*, 38, pp. 29–35.

⁹⁴ Matebesi, S. and Marais, L. (2018). "Social licensing and mining in South Africa: Reflections from community protests at a mining site". *Resour. Policy*, 59, pp. 371–378.

⁹⁵ Measham, T. and Zhang, A. (2019). "Social licence, gender, and mining: Moral conviction and perceived economic importance". *Resour. Policy*, 61, pp. 363–368.

⁹⁶ Prno, J. (2013). "An analysis of factors leading to the establishment of a social licence to operate in the mining industry". *Resour. Policy*, 38, pp. 577–590.

⁹⁷ Gulley, A. (2017). "Valuing environmental impacts of mercury emissions from gold mining: Dollar per troy ounce estimates for twelve open-pit, small-scale, and artisanal mining sites". *Resour. Policy*, 52, pp. 266–272; Aryee, B., Ntibery, B. and Atorkui, E. (2003). "Trends in the small-scale mining of precious minerals in Ghana: A perspective on its environmental impact". *J. Clean. Prod.*, 11, pp. 131–140.

⁹⁸ Owusu, O., Bansah, K. and Mensah, A. (2019). "Small in size, but big in impact: Socio-environmental reforms for sustainable artisanal and small-scale mining". *J. Sustain. Min.*, 18, pp. 38–44.

aspirations, as well as the local community with direct social, economic, and environmental benefits. With the main benefits for the governments being the ability to act on policies and take decisions, while the wider public may also have multiple indirect benefits.

CONCLUSION

From the above analysis, it is seen that the future of extractive companies depends on their good and ongoing relationship with the local adjacent communities. As it is becoming very paramount for the extractive companies, to obtain the SLO from the initial stage of the extractive process. Since SLO goes beyond obtaining official documents from a government department - but is a good standing based on mutual respect with the local communities. In this sense, an SLO is considered as a good basis and point of departure for CSR, since engaging with the communities is not a one-off consultation at the beginning of the process. But requires a long term commitment that needs to be followed throughout the life cycle of the extractive activities. In this context, the paradigm shift in the governance landscape has a direct impact on the role the communities play in the extractive environment. As such, the key to successful community engagement is to understand the perspective of the community as stakeholders. This is because by honouring the SLO process, which also includes community engagement, the company indicates that it acknowledges its contribution towards the community in which it operates – which may include going beyond what is required and regulated, thus, maintaining the constructive mutual benefits. Conversely, it is noted that any failure to embrace the process of an SLO can have a direct impact on socio-economic development, and possible infringement on basic human rights – since SLO does not only affects disadvantaged people, as issues like economic development and environmental matters affect everyone. Therefore, it is on this premise that the Cameroonian extractive operations are increasingly taking into consideration the credibility carried by SLO. Especially, as the SLO does not follow documented processes but rather a ‘gentleman’s agreement’ between the extractive company and its surrounding communities.

Consequently, to assess whether an SLO had been granted and/or maintained in any extractive site, four main factors are worth highlighting: community engagement (i.e., interactions between the local community members and the extractive companies); local impacts and benefits; procedural fairness; and stakeholder relationships. This is because as analysed above, obtaining an SLO is like trying to meet all of the expectations of all the stakeholders, particularly

the expectations of the affected communities surrounding the extractive sites. As such, many companies view SLO as an expensive approach with outcomes that may not last forever because the expectations that significantly determine whether an SLO is granted (or not) can change overnight. As a result the companies, especially those in the mining sector, tend to consider that they have secured a social license, if they pay attention to some issues facing the community and there are no frequent riots or violence around their operations. In this light, SLO appears to be a challenge in the EI, with the challenge being much more significant in the mining sector. This is because the gap between what the company views as a major contribution to the community, and what local stakeholders demand continues to grow every day. As such, as far as large-scale investments are concerned, an SLO is not easily obtained anywhere.

From this perspective, in Cameroon, it is observed that although the mining activities have been taking place for a much longer period than the petroleum activities, however, the basic principles required for granting the SLO appears to present significant challenges to the EI. As the extractive companies have not been able to secure the SLO, although some are currently taking robust steps toward securing it. Notwithstanding, owing to the evolution ongoing, the extractive companies are now accepting the need to apply for the SLO through community engagement, the implementation of community-driven development projects, and consultations with CSOs, local authorities, and central government agencies. This is coupled with the fact that, in recent years, there appears to be a greater acknowledgement by companies of the significance of the SLO concept, which has been accompanied by changes in their approaches to dealing with the communities and local authorities - resulting in the interactions being expanded and strengthened. With one of such major approaches adopted to promote community participation being to foster dialogue with the community members on the value chains of the extraction activities across the various stages of the life extraction, from exploration to project operations (development and production). As the local impacts and benefits of the extractive operations, and ways to minimise the negative impacts of the extractive activities on the well-being of the communities are the two key issues in any useful dialogue. Nevertheless, it is noted that one of the most significant impacts is the displacement of citizens from the concession areas to enable the multinational companies to undertake their large-scale extractive operations. As such activities often bring about massive unemployment, especially among the young

people, who were previously engaged in small-scale/artisanal mining - which meant the loss of income in the local communities.

In addition, closely related to the issue of impacts and benefits, are the complaints about the unfulfilled promises and unfair compensation payments by the extractive companies. Since the companies are often accused of not paying the market value for the land and other property acquired. Likewise, the companies usually implement several community projects, which are often not considered sufficient in light of the problem of unemployment and other socio-economic needs facing the communities, including those specifically arising from the presence and operation of the extractive companies. As such, it is noted that effective community engagement limits any misunderstanding between the extractive company and its communities – since to be socially responsible the extractive company needs to engage with the community in a constructive and pro-active manner. Since two-way communication and transparency from the extractive company is imperative, leading to harmony and good neighbourhood spirit. Despite this, it is noted that although the extractive companies are doing their part in reaching out to the community, a huge gap between what is done on the ground level and what is written on the glossy annual reports in terms of Sustainable Development, CSR, and an SLO, evidently remains minimal.

Appositely, to achieve the objective of the paper, which is to examine the impact of SLO in the EI in Cameroon - it emerged from the discussion of SLO within the communities that the CSR agenda has become highly significant, requiring the extractive companies to take into account the sustainability scenarios. Thus, establishing an SLO within the communities has become a significant point on the CSR agenda in the 21st Century. As CSR emerged from the need to address wrong corporate behaviour regarding social and environmental issues that do not directly impact the business bottom line. As such, it is worth reiterating that one of the ways to forge and implement long-term solutions, is when there is a mutual understanding between the extractive company and its adjacent community members. Since in terms of sustainability, an SLO is encouraged before, during, and after the extractive operations have begun. This is because SLO has become a universal phenomenon – as communities around the world want to play a pivotal role in decision-making and be assured that EI surrounding them will take their economic and social needs, safety, and the environment into consideration. From this, the community members are most likely going to be in

favour of the extractive activities, if they have a sense of belonging, feel that their voices add value and that the extractive company is attending to their social issues. Likewise, it is noted that when the extractive company can meet public expectations and have an understanding of the local setting, it may contribute towards effective community engagement, which in turn, can lead to positive public participation. Although what the extractive company can do in terms of reaching out to the community is applauded, there are still some missing links in the relationship. With one of the ways to address the missing links being through a real understanding of the fundamental needs of the communities surrounding the extractive activities.

Expediently, in this light, the bottom-up communication approach is key when trying to understand the needs of the community, as open and consistent communication between the extractive company and its community will lead to mutual respect. This will enable more and more extractive companies to become socially aware and sensitive toward community needs and developmental structures. Since to ensure long-term sustainable solutions in community development, it is proper to align the expectations and needs of both the community and the extractive company. Besides, it is vital to always remember that the local community is not a unified group of people, but rather a grouping of different individuals with their different characteristics and interests. As such, the bottom line of FPIC must be understood by the affected communities that they will benefit from the proposed project, and that the specific benefits will far exceed any worst case scenario of unforeseen impacts. Indeed, this can be realised if the extractive company employs the following ten steps at the start of the operations, to gain the respect and confidence of the community as being a good neighbour: Understanding of local culture, language and history; educating local stakeholders about the project, for example, operational processes and environmental impacts; ensuring open communication amongst all stakeholders; maintaining a sound track record and a positive corporate reputation; training the workforce; creating a business partnership with communities for economic development; employing innovation and technology to avoid undue impacts; seeking community support and capacity building; enabling corporate transparency; and collaborating with communities to help meet their infrastructure needs.

Notwithstanding these, the following still remain general challenges when addressing the issues of an SLO: Lack of comprehension from the communities

regarding the associated structures, processes and dynamics of obtaining and maintaining an SLO; emphasis on the comprehensive consultation once again highlights the relevance of an SLO throughout the extractive operation activities; the vast differences between the expectations and perceptions of the community, as well as the extractive company; and interpersonal communication, group media, traditional media, mass media, information, and communication technologies are different types of communication tools that could be used to engage effectively with community members. As such, it is noted that any failure to embrace the process of an SLO can have a devastating impact on socio-economic development and possible infringement on basic human rights. As an SLO does not only affects the poor and disadvantaged people – since issues, such as economic development and environmental matters affect everyone. Thus, meeting social needs, striving for economic stability, and taking the environment into account, have enabled businesses to start addressing issues that might harm the moral standing of their companies. Likewise, since issues like the moral standing and reputation of the company can be addressed within the negotiation process of an SLO, effective two-way communication remains a key issue in addressing and ironing out the relationship between the extractive company and its community. Although there can be some missing policy gaps, which can be resolved by aligning the expectations and needs of both the community and the extractive company. Even though the motive on whether the extractive companies are practising public relations, community relations, or community development has been distorted over time. Nonetheless, there are definitely emerging scenarios whereby the extractive companies are adjusting their approach to stakeholder engagement and development, not only at the level of policy - but also within the organisational structures and in practice at the operational level to accommodate the new trends. Consequently, it is vital for the extractive company to ensure that the community members are not overwhelmed by their expectations by enabling them to be part of the decision-making process – which is imperative for the long term impact, thus, helping the communities to learn better negotiating skills. In this regard, there is a need to provide some appropriate recommendations to ensure a sound SLO process in the area, which acknowledges the community members as the key stakeholders.

RECOMMENDATIONS

Compactly, from the analysis above, it is noted that securing an SLO is no longer an optional exercise, but must be a primary objective for any

large-scale petroleum or mining operation in Cameroon. This process is facilitated through positive partnerships with stakeholders, including all levels of government and the local communities. Based on the analysis, the following recommendations are put forth with respect to SLO for both the government and extractive companies. The recommendations are seen as useful in managing expectations, reducing tension, safeguarding the interests of communities and the environment, minimising the indirect costs for investing companies, and improving the company-community relations in the EI:

- There is a need for extractive companies to implement clear, comprehensive community engagement and communication strategies for each large-scale project. With such strategies to identify the messages to be communicated during each phase of the extractive project (exploration, project development, construction, operations, and planning for closure), and how these messages should be communicated.
- The extractive companies should ensure that the community members are equipped to be included in decision-making processes, and are able to make informed decisions on matters that affect them directly or indirectly. In this light, the following pointers are recommended to move towards an effective communication approach: Engage with communities through effective listening and intent to learn – sharing the aspirations, plans, opportunities, and technologies of the company with the communities; develop a two-way and bottom-up communication approach to engage with the communities adjacent to the extractive company – an approach that will ensure and improve mutual respect and better understanding between the extractive company and its communities.
- Since strong community engagement is key to achieving effective dialogue with citizens around an extractive site, there is a need to secure transparent and equitable agreements and identify and implement local development projects with stakeholder support. As such, the companies, in partnership with the government at all levels, should have a clear community engagement/communication strategy that is explicit on: What messages should be communicated at every stage of commercial activity; how these messages should be communicated; and what working arrangements are needed in relation to issues like compensation. Equally, the establishment of a community relations unit by the companies - is a positive step if the two-way dialogue results in

mutually agreeable outcomes. With such units to be partly staffed with personnel from the locality in which the companies have operations, to help address the trust issues and provide the companies with insights into the community attitudes.

- There is also a need to understand the local settings and culture. Although such a process could be time consuming, it will, however, help the extractive company to be effective when addressing local social issues. As such, the following will assist in a better understanding of local settings, as well as community culture: Form strong partnerships with all key role players who share responsibility for sustainable development; identify community leaders and liaison directly with them as strategic role players; the extractive company can consider doing a pilot study and follow-up studies aimed, specifically at understanding the local settings, as well as social issues that matters most to the community; the company needs to understand different communities in terms of their perceptions and social conditions – as this will help in facilitating community development initiatives – since what works perfectly in one local setting does not necessarily means it will work out the same in the next setting.
- Since large-scale extractive projects have a wide range of impacts on and potential benefits for local communities - one major challenge for companies seeking an SLO is ensuring that the local people have opportunities to earn decent livelihoods and improve their standard of living. These initiatives can include the allocation of alternative mining sites for small-scale miners along with needed equipment and safety measures. Equally, in all communities affected by the petroleum and mining sectors, developing the vocational and entrepreneurial skills of the community, especially young adults, is crucial. Creating work opportunities for skilled or semi-skilled job-seekers in the local community can greatly contribute to obtaining an SLO. This is because any failure to fulfil promises or reach mutually agreeable terms on issues such as compensation can seriously undermine relationships between a community and a company. Thus, to improve this situation, tools like the ‘commitment register’ can be used to promote fairness and accountability, with such a register recording in writing all commitments made by the company officials to local communities. With such a register made readily available to the community members at all times.
- Besides, copies of the register should also be accessible to other stakeholders to ensure that there is a consistent understanding of important issues. These registers can be especially important during the transition periods when management or ownership of the extractive operation changes. As such, maintaining a comprehensive and transparent record of commitments undertaken by extractive companies can greatly influence the securing and maintaining of an SLO.
- The government needs to put in place a strategy for redeploying economically active groups who have given up areas (and potential livelihoods) for the large-scale extractive operations to go ahead. This strategy should provide alternative mining sites, for small-scale miners who wish to continue this work. It should also include giving priority to individuals from local communities whenever employment opportunities (both skilled and semi-skilled) become available in the EI. Equally, the government with corporate support, could extend the assistance offered to help the unemployed (especially young adults) develop new technical or entrepreneurial skills to secure a wider array of jobs or start small businesses.
- The companies should seek to play more visible roles in transforming the welfare of the communities around the extractive sites. With such local development activities to strongly involve the government at all levels. Since the transformative initiatives could include the improvement of infrastructure like roads and critical social services. Equally, in implementing the socio-economic projects, the investment approach to CSR should be in the form of partnerships with the local authorities, communities, and NGOs by supporting local priorities and initiatives as stipulated in the council and regional development plans.
- In addition, the extractive companies should view employing local people, implementing CSR programmes, and offering tenders to local businesses to supply extractive operations, as efforts to secure an SLO. With the management of the companies to usefully view such expenditures as investments to mitigate future costs, like disruption to production or damage to corporate reputation if local hostility results in widespread protest and sabotage. Since the projects may not be able to proceed if an SLO is not secured or maintained. Thus, by viewing CSR and other local content initiatives as investments toward an SLO may elicit a different response from the company management. Such

'investments' in the community can only take place in partnership with the government at all levels, citizens, CSOs, and other stakeholders, who can identify and prioritise local needs and appropriate responses.

- The companies need to ensure that the compensation payments reflect the market value of the land acquired and any properties that are demolished. As such, the government needs to introduce 'compensation guidelines' in the areas already affected by the EI (or with the potential to be affected in the future). Since such guidelines will help to ensure fair and adequate compensation to individuals who may be relocated. Equally, the government should also ensure that the compensation rates are updated regularly to reflect the market conditions. One other useful tool to enable the communities and companies to monitor and ensure that the promises are kept is a 'commitment register' - which registers records in writing all commitments made by the company officials to local communities and must be readily available to the local communities and government authorities at all times.
- There is also a need to ensure procedural fairness in all of the dealings of the extractive companies with stakeholders is a critical part of acquiring and maintaining an SLO. This applies especially to compensation. This is because the issue of unfair compensation arose in relation to land taken for large-scale extractive projects. Therefore, each company needs to ensure that a transparent and equitable compensation process is in place with timely payments that reflect the market value of all land or property acquired by companies for extractive related activities. With the government, through their respective agencies and departments, to impartially support the process. Compensation guidelines, informed by international best practices, will be essential to regulate the process and ensure procedural fairness.
- The companies must engage positively with a variety of stakeholders if they wish to obtain and retain an SLO. As such, the government needs to play a vital role at every level in addressing issues related to securing the SLO within the EI. Thus, via its MINMIDT, the government needs to provide guidelines that specify the roles of each government administrative organ for ensuring the smooth implementation of mining or hydrocarbon contracts. For major projects that may require the active support of multiple agencies, the government should set up an inter-ministerial committee under the leadership of the Prime Minister's Office; since the appropriate capacity building will be required for the effective discharge of these roles. Such initiatives could improve public sector dealings with the EI and certainly aid companies to promote efficient and transparent working relations with the government.
- In addition, CSOs can also play an important role in facilitating engagement between the communities, companies, the government, and other stakeholders. The engagement of CSOs in various capacities to support the process is important, since such roles may include: building the capacity of communities for effective dialogue; articulating community concerns and interests (plus building consensus around them); empowering all parties to work towards local development interventions that promote socio-economic and environmental sustainability, enhancing technical competencies with respect to the extractive and environmental and social impact issues; and supporting public awareness education. As such, companies should explore ways to work more effectively with both the government (at all levels) and CSOs, especially as they have the potential to foster more effective relations with different stakeholders.
- The community's health and safety should under no circumstances be compromised – a high priority needs to be placed on issues relating to health, safety, and the general well-being of the people: Demonstrate an overriding commitment to the health and safety of the employees and the surrounding communities in which the extractive company operates; ensure the putting in place of proper health facilities with easy access to all community members; present on regular bases, health education on issues such as sexually transmitted infections (STIs) and HIV/AIDS; implement a high standard of protection to alleviate air pollution and dust in the area; and provide, due to the nature of the extractive operations, more care needs to ensure the wellbeing of the environment and the people living close to the extractive company.
- All in all, it should be stressed that true benefits and the legacy of an SLO can be achieved through genuine relationships, based on mutual understanding and trust – which can subsequently, boost the reputation of the extractive company, thus, be embraced into the community. Since starting on the right foot with

the community will improve the reputation of the company immensely. As such, the companies need to be sensitive to factors like lower revenues, difficulties in attracting highly skilled employees, delays in extractive activities, poor employee performance, high work absenteeism, and possible closure due to community opposition to the extraction operation; although a proper negotiated SLO could minimise these risks.

From these perspectives, further research is required to better understand and assess the relative effectiveness of different community engagement approaches and techniques for each of the five main phases of the extraction process—exploration, development, construction, production, and closure.

As such, the paper identifies key areas for further research as follows: A more detailed analysis of community engagement strategies implemented by the extractive companies for each stage of the life of the extractive operation, CSR and local content initiatives, with compensation arrangements, to provide additional insights into how SLO can better be pursued as an indispensable element of effective natural resource management in Cameroon. Another issue that is worth considering for the future of SLO in EI is the role of extractive professionals and entrepreneurs, who in close cooperation with all other major stakeholders may change the general social perception of extraction and properly apply the principles of a green and circular economy.

