

# REGINA

Remote communities & resource-based industries

## WORKING PAPER

### Dealing with the social impacts of industrial development – Planning and monitoring in Regina partner municipalities



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## 1 Introduction

The social impacts of large industrial projects in small communities may occur at various scales and will also evolve over time. Managing these impacts thus requires long-term planning and dialogue between the industry, the community and local population. The REGINA Social Impact Management Plan (SIMP) is a tool to identify, monitor and actively react to social impacts of resource-based industries. The aim of the SIMP is to enhance local acceptance of industrial growth, retain benefits for local communities and provide strategic benefits for planning for local authorities, private sector industries and local residents.

For municipalities, SIMP serves as a tool for predicting and planning local development of large-scale industries, while it is valuable for private sector industry in obtaining and maintaining broad community acceptance and support for the project. For local residents, SIMP provides opportunities to communicate their concerns and participate in development of future strategies.

## 2 Planning and monitoring large scale industries in sparsely populated areas

Four REGINA partner municipalities have implemented the SIMP model: Alstahaug, Brønnøy, Sodankylä and Storuman. Within the SIMP framework, each partner municipality has developed applicable strategies and policies to identify local strengths and mitigating potential risks. Each of these municipalities have faced major new developments related to large scale industries.

The next section describes how social impact assessments and monitoring of the industrial processes have been carried out in REGINA partner municipalities and collected through various methods has been used in municipal planning. Three complementary methods were used to support these planning and monitoring processes: questionnaires, participatory GIS and in depth evaluation interviews. The final section of the working paper addresses the main outcomes and lists the key lessons for the future.

### 2.1 Sodankylä -Surveys to map out experienced social impacts of mining

One of the objectives of the Regina project has been to develop and pilot various data collection methods that municipalities could utilize in identifying and monitoring the social impacts of large-scale industries. One of these methods is the survey tool that was developed by the University of Lapland. During the project the University of Lapland conducted two surveys in Sodankylä municipality. The aim of the surveys was to map the general attitudes towards mining, experienced environmental impacts and the impacts of mining e.g. to private and public services and infrastructure.

The first survey was conducted in 2016 as a mail survey and it was sent to 600 residents. The response period was two and a half months and the survey received 200 responses. The second survey in 2018 was conducted as an open online survey and as an informed survey. Informed surveys are handed out face to face to the respondents along with information on the objectives of the study. The informed survey was carried out in events arranged in five villages near the current or planned mining areas.

The follow-up survey in 2018 and received 160 response, while the response period was only one month. Out of all responses on the follow-up survey, 106 were received through the web survey and the remaining 54 were received in paper format. Compared to the mail survey, the web survey proved to be a fast and efficient method of collecting responses. Handing out forms in the open events, on the other hand, proved to be a good channel of interaction, enabling the participants to discuss issues

related to mining, to make comments on the survey and to get answers to questions concerning the study.

The amount of the responses from villages near the planned or operating mines was relatively high in comparison to the amount of responses from other villages and the municipal center. This indicates that the open events gave visibility for the survey and engaged people to respond. Fieldwork carried out in the mining villages also gave valuable insight for interpreting the replies and helped to gain information about how to improve the questionnaire in the future.

Based on the surveys mining activities are broadly accepted in Sodankylä. Most importantly respondents felt that the industry has brought new jobs and advanced the local economy. Hence, mining has built trust for the future and given hope that the municipality will remain competitive and strong. However, there was a contradiction between the wide acceptance of mining and the residents' inadequate opportunities to influence. Respondents felt that it has been difficult to take part in project planning and decision-making. Since the municipality has several ongoing projects in different phases of their life span, participation requires a great deal of time and resources from the residents.

Another contradiction relates to environmental impacts. Half of the respondents thought that mining has impaired the state of nature and the environment. Moreover, the respondents felt that environmental damage was the greatest risk related to mining. Adverse effects of mining are also unevenly divided among different groups and they fall mainly on the villages close to the mining areas and on reindeer herding as a livelihood.

### ***2.1.1 Municipal policy programme***

In Sodankylä, the SIMP process was intended to be a municipal policy programme. The process had three distinctive phases: collaborative planning, political decision making and implementation. In the first phase Regina project team facilitated a collaborative planning process, which gathered different stakeholders to attend three workshops, where economic, environmental and social impacts of mining were discussed. Stakeholders also discussed about their future visions and actions each of them considered necessary for sustainable development of mining in the municipality. Based on the workshops, objectives, actions and follow-up indicators for monitoring mining developments were established, together with a shared vision for sustainable mining in the community.

The second step in the SIMP process was the political decision making, which turned out to be a time-consuming phase. Municipal elections were held in the middle of the process and some of the council members were changed. Newly elected council and board members were not familiar with the objectives of SIMP and it took some time to familiarise them with the process. New members also wanted to emphasise the importance of local benefits in the policy programme and therefore it had to be slightly modified. Eventually, the local council approved the special policy programme for mining in March 2018. The policy programme set objectives, actions and follow-up indicators for sustainable mining and development of the industry in the municipality.

The third phase of local SIMP process, implementation, started in May 2018. This phase is carried out by the leading municipal planning authorities. Implementation requires commitment as well as strong will and resources from all stakeholders. In Sodankylä the final outcome of the SIMP process remains to be seen in the future as the process is still ongoing.

## 2.2 Storuman – Survey and Participatory GIS to promote sustainable development

Like Sodankylä, also Storuman has potential for mineral exploration and is an area of mining activities, which have not always been successful. The Svärträsk mine has caused costly environmental problems and is considered one of the largest environmental scandals connected with mining. In Sweden Luleå University of Technology and Umeå University have studied local attitudes and experienced impacts of mining in the western part of the municipality, the Regina project the decided to conduct a survey in the eastern part of the municipality.

In the beginning of 2017 questionnaires were sent to 517 residents who live nearby existing or potential mining establishments in Pauträsk, Barsele and Högländ. By June 2017, 217 responses were received. A typical respondent was an elderly person, with upper secondary and tertiary education and living in the household of one or two persons. Most of the respondents had lived in the area for over 20 years, most of them practically almost whole their lives. The profile of the respondents tells about the situation in small villages in the eastern part of the municipality, about out-migration of the younger generations and the need for activities if the villages are going to be able to live on.

When the survey was launched, it raised critical discussions in social media. There were suspicions that the municipality is preferential to mining and uses the survey as a tool to legitimize mining in the region. This was not the purpose of the questionnaire and actually the results turned out to be quite negative towards mining, at least when compared to the results of the surveys in Sodankylä. There was a great deal of concern about environmental degradation and consequences of it, such as losing the possibility of hunting, fishing and berry picking or suffering from pollution caused by mining. Environmental concern was strong as the residents appreciated the nature and outdoor activities very high. In addition, the respondents could not see mining bringing anything good for their lives now or in the future.

Based on the survey, the municipality has discussed the results, but at this point there have been no decisions made regarding actions on this account. Due to the elections in September 2018, the discussion on this question will not be resumed until late autumn at the earliest.

The Regina project has also facilitated two Participatory GIS surveys. “The Sustainability promise 2017” survey was ongoing in Harava during September. The aim was to encourage the citizens to make their way of living more sustainable. The answers are saved and prizes have been delivered to winners of the contest included in the questionnaire. Another survey, “Short questions about Tärnaby”, was conducted in March-April 2018 on CityPlanner. The aim was to find out what visiting tourists think about Tärnaby. Unfortunately, due to lack of adequate marketing combined with technical problems there were only few answers to the questionnaire. The municipality is planning to conduct a survey “Suggest the street names” in the near future, but decision about the application or service provider have not been made.

It seems that people living in Storuman have a little knowledge about laws and regulation regarding mining activities. This indicates that so-called social license to operate has not been addressed by the industry or the municipality. In order to improve the communication between local people and the industry the municipality could offer platforms for dialogue and discussion. It is also important to provide information and educate local people and decision makers about the processes, potential gains and risks of mining industry.

## 2.3 Alstahaug and Brønnøy - Surveys to understand local perceptions of aquaculture development in Nordland, Norway

Aquaculture has been a common industry in Alstahaug and Brønnøy (Norland County, Norway) for decades but due to structural change in the 1990s, the industry has shifted from small family-run businesses to large-scale international companies with more cost-effective operations. Based on a survey conducted in late 2017, residents in both areas responded positively to the growth and restructuring of the aquaculture industry because it has led to increased income in the form of taxes and fees, and has also generated new employment opportunities. There are local concerns, however, mainly centred around environmental issues. Respondents feared that there was a risk of considerable negative effects on the coastal zone and on fishing in the local fjords. The study also showed that the industry could benefit from better communication of its presence in the community, especially in Alstahaug where many of the respondents were not aware of aquaculture operations in their area.

### 2.3.1 Monitoring the development process

In Alstahaug there has been establishment and development process of the Horvnes industrial area the recent years. One aspect of the SIMP has been to provide tools for monitoring and a reviewing large scale industry establishment processes as the one in Horvnes. The establishment process was reviewed during different stages of planning and operation. The aim was to look at the processes surrounding the establishment of the oil industrial area by focusing on the progress, possible bottlenecks and involved actors to identify the success criteria behind it and in a retrospect evaluate if something could have been done differently.

In-depth interviews were conducted the key actors about their experiences on the establishment of the industrial area. The group of interviewed stakeholders consisted of political and other authorities of Alstahaug municipality, including the mayor who was also a member of the municipal planning committee of the industrial area. Additionally, the director of the Alstahaug port, director of the Helgelandsbase (the main actor at Horvnes) and neighbors and landowners at Horvnes and members of Nordland County Council were interviewed.

Interviews showed that majority of the stakeholders, including the landowners and local people, considered the establishment of an industrial area to be a positive development. However, the informants evaluated that during the establishment process there would have been a need for more comprehensive identification of the interests of different actors and clarification of distribution of responsibilities before proceeding with the establishment of the industrial area. For example, one of the challenges was that different actors had different wishes and expectations regarding disposition and ownership. Additionally, informants pointed out that there were challenges related to the fact that there were several actors with different roles in the project planning. For example, actors from the municipality were both politicians and premise providers.

A contact forum was set up to face these challenges. The forum consisted of developers, business actors and Norland County Council, who met regularly to discuss the progress of the project. Thus, they were able to respond to different issues before they became major problems. Moreover, the meetings enabled a good flow of information as well as they gave an opportunity for the different actors to have a regular overview of the progress of establishment project of the industrial area.

### 3 Lessons to be learned

The case studies confirmed the conclusions and assumptions in the SIMP framework: a series of social impact assessments and development of planning and monitoring practices of the industrial developments will provide crucial information for local planning authorities for services and infrastructure. Additionally, local businesses will get to know about possible changes in public opinion by monitoring social impacts and thus be better able to respond to potential conflicts. Finally monitoring social impacts and development processes increases transparency of decision-making and provides a channel for local residents to express their thoughts and concerns regarding new industrial developments.

- Open communication starting from the earliest stages of planning of an establishment of large industry project is important in building trust and acceptance at the locality
- Even the small communities are heterogeneous and it's important to identify all the different interest groups
- Stakeholders' unrealistic expectations can lead to significant delays in strategic planning and industry establishment processes. Early communication and agreements on what can and cannot be done (in terms of a policy programme or industrial project)
- Long-term planning processes in the municipalities often involve some unavoidable turning points that might cause delays. For example, municipal elections can be a critical point if turnover of council member is high. Newly elected member need to be informed about the objectives and it is important that they are committed to the process.
- Information plays a vital role in reducing fears and suspicions related to natural resource based industries.
- Clear and transparent division on roles of different authorities is a precondition for (socially) sustainable development of large scale industrial projects
- Customising the data collection methods to local circumstances is a precondition for successful planning process. For example, it is important to ensure that the tools and applications used (surveys, geo spatial technologies etc.) are functional and fit the purpose.