

# Community Engagement and Social License to Operate in Oil & Gas Development

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Research project with Resources for the Future to evaluate community engagement practices in unconventional oil and gas development (aka fracking).

- Colorado, Pennsylvania, and Texas
- Alfred P. Sloan and George & Cynthia Mitchell foundations

Goal is to help communities and oil and gas companies better engage in ways that address community interests and concerns.

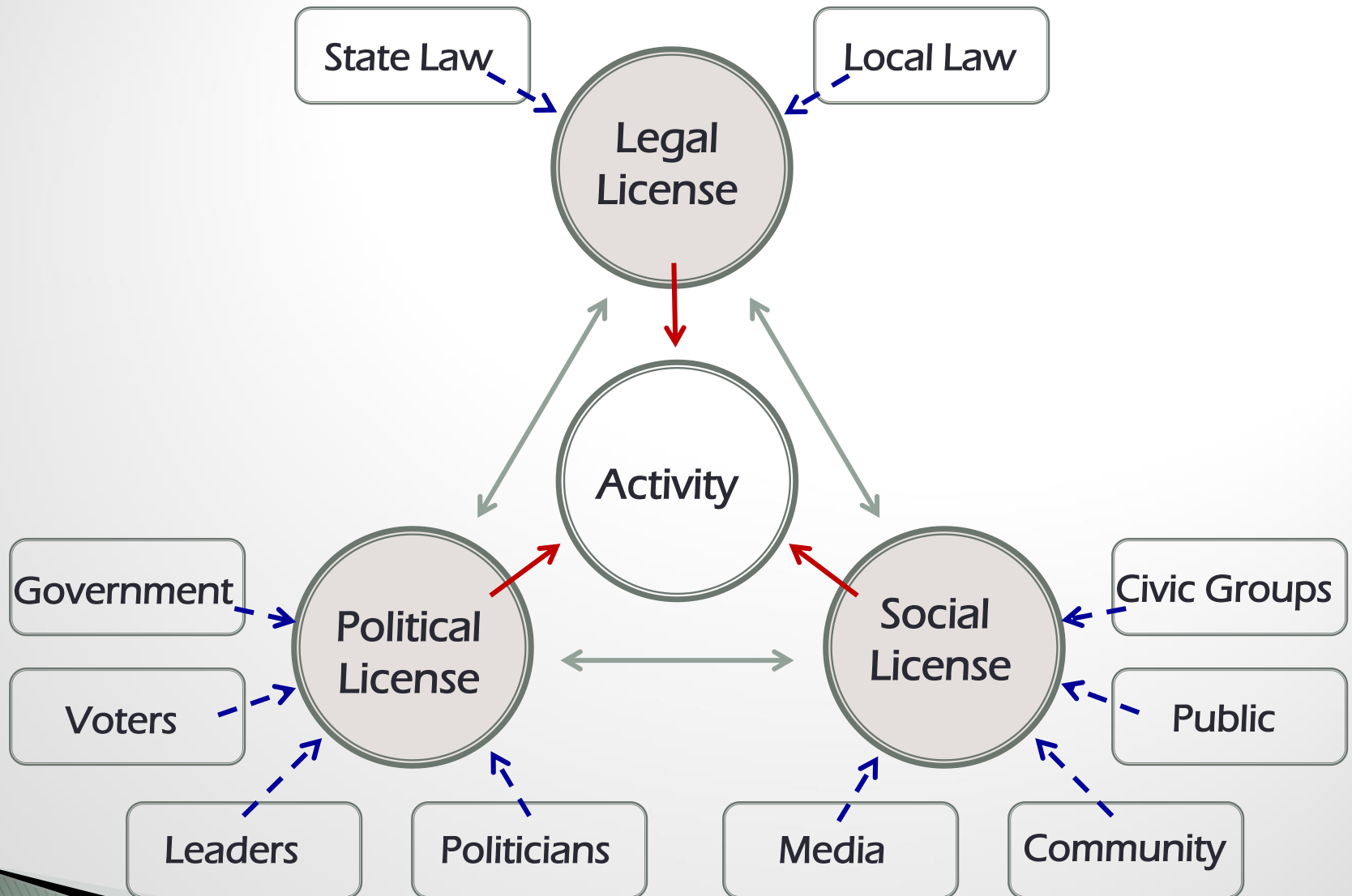
“How am I to get in?” asked Alice again, in a louder tone.

“*Are you to get in at all?*” said the Footman. “That's the first question, you know.”

# Social License

- ▶ “A form of social acceptance or approval that companies or projects earn through consistent and trustworthy behavior and interactions with their stakeholders. It cannot be self-declared.”

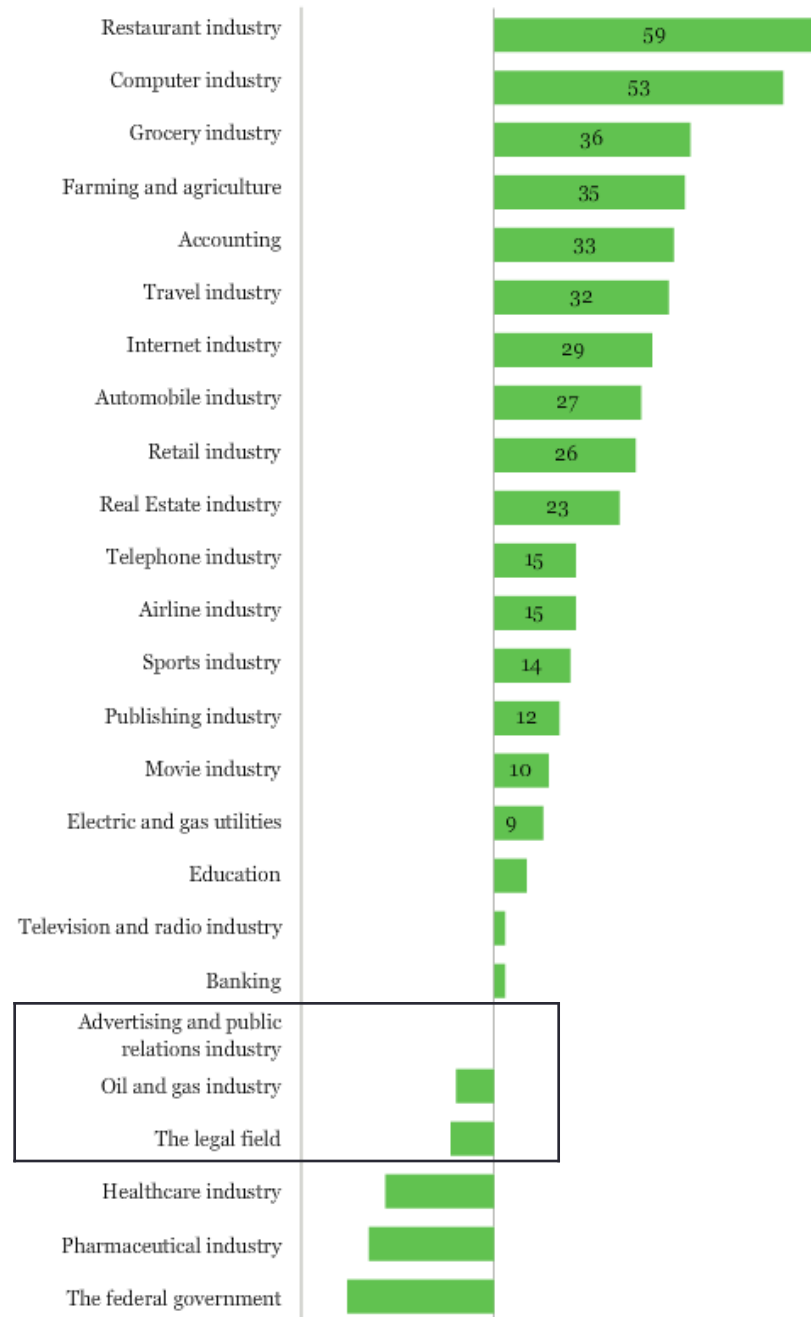
# Political, Legal, and Social License



# Social License

- Legitimacy – of the industry/company and activity
  - Product valued; adds value to community; opportunity costs low; understands and acknowledges true impacts of activity; ethical business practices; acknowledges stakeholders and rights holders; avoids and mitigates impacts; transparent...
- Trust – relationship between org and stakeholders
  - Knowledge of behavior over months and years; listens to stakeholder interests and concerns; communicates frequently and honestly about company; is responsive to stakeholder needs; invests in community beyond it's own needs...
- Consent - informed consent by most impacted
  - Good faith negotiations; willingness to seek joint solutions; not rushed; procedures in place to manage grievances; shared information...

# Business and Industry Sector Ratings 2016 Gallup



## *Oil and gas industry*

	<b>Very positive</b>	<b>Some- what positive</b>	<b>Neutral</b>	<b>Some- what negative</b>	<b>Very negative</b>	<b>No opinion</b>
	%	%	%	%	%	%
2016 Aug 3-7	12	25	17	24	20	2
2015 Aug 5-9	10	24	18	27	20	1
2014 Aug 7-10	12	17	15	35	21	1
2013 Aug 7-11	8	18	17	28	29	1
2012 Aug 9-12	7	15	15	27	34	1
2011 Aug 11-14	7	13	15	27	37	2
2010 Aug 5-8	4	16	16	34	29	1
2009 Aug 6-9	5	16	16	28	35	1
2008 Aug 7-10	4	11	8	24	52	1
2007 Aug 13-16	6	13	14	32	35	*
2006 Aug 7-10	5	10	7	28	49	1
2005 Aug 8-11	9	11	17	27	35	1
2004 Aug 9-11	6	15	18	35	23	3
2003 Aug 4-6	9	26	22	29	14	*
2002 Aug 5-8	6	19	28	28	16	3
2001 Aug 16-19	7	17	21	33	21	1

\* Less than 0.5%

GALLUP®



# Community Engagement

- ▶ Operational engagement – interaction with stakeholders who are directly impacted by day-to-day operational activities. ➡ SLO
- ▶ Strategic engagement – Interaction with stakeholders who may not be directly impacted by the activity but who have an interest in influencing the activities. ➡ PLO

# Ladder of Citizen Participation

Dispute Resolution  
Joint Planning  
Consultation  
Information Feedback  
Education/PR



Connor, D. (1988) New ladder of citizen participation.  
*National Civic Review*, V. 77, No. 3, 249-257.

# Engagement and the Social License

PLO	Engagement	SLO
	Dispute Resolution	Operational Engagement
	Joint Planning	
	Consultation	
	Information Exchange	
Strategic Engagement	Education/ PR	

Legitimacy – Trust – Consent

# Engagement and the Social License

Engagement	SLO
Dispute Resolution	Operational Engagement
Joint Planning	
Consultation	
Information Exchange	
Education/ PR	

