Social Licence and the Aquaculture Industry in Canada

A Discussion Paper

Prepared for:
The Canadian Aquaculture Industry Alliance

February 27, 2014
Table of Contents

Executive Summary ............................................................................................................................. 2

1. Purpose ........................................................................................................................................... 5

2. Social License to Operate (SLO) ................................................................................................. 5
   What are attributes of a Social License to Operate (SLO)? ............................................................. 5
   Why SLO for Aquaculture in Canada? ............................................................................................. 5
   What an SLO involves ...................................................................................................................... 6
   What SLO does not involve ............................................................................................................. 7

3. Earning an SLO ............................................................................................................................... 8
   Community’s role in building an SLO .............................................................................................. 8
   Who “Grants” the SLO? .................................................................................................................. 9
   How to earn an SLO ........................................................................................................................ 9
   Measuring: What level of SLO has been earned? ........................................................................ 11
   Measuring: Has an SLO really been earned? ............................................................................... 11
   Seeing the Benefits ....................................................................................................................... 12

4. Governments, Third Parties and SLO ........................................................................................... 13
   Roles Governments can play ......................................................................................................... 13
   Roles for Third Parties - Building Trust ......................................................................................... 15

5. Indicators of SLO in the Aquaculture Industry ............................................................................. 16


Annex A: Measuring Approval Levels in Social Licence to Operate ................................................... 22
Annex B: Roles Governments can play ............................................................................................... 24
Annex C: Role of Third Parties in Building Trust ............................................................................. 28
Annex D: Anecdotal Evidence of SLO in the Aquaculture Industry .................................................... 31
References ........................................................................................................................................ 38
Executive Summary

Social License “is not obtained in a courthouse. It is earned from the people of a community, the stakeholders of the project. It is not written on paper, but you can see it in people’s faces when they talk about the development. It is about mutual respect, shared benefits, common trust.”

A company or business sector has “Social License” or “Social License to Operate” (SLO) when it has the broad acceptance of society to conduct its activities. For decades, the aquaculture industry in Canada has built their SLO through ongoing and sustained partnerships within their local communities and with First Nations. While the industry has been engaged in SLO processes for many years, their efforts are neither well described, nor understood by government and Canadians in general.

Aquaculture in Canada provides stability and resources in communities struggling to survive because of changing economies, particularly in coastal communities. It is very much a site-oriented, community-based business. The literature on social licence indicates that where business activities are localized, then it is the local community that is most important to the discussions regarding social licence, relative to other stakeholders. In contrast, where social license is being sought for broader economic activities, such as acceptance of a sector and its products – or if the impacts are perceived to be widely spread – then a more diffuse network of “stakeholder groups” must be engaged.

Even with the ongoing engagement of industry within the communities they operate, some MPs and senior government officials have been suggesting for some time that the industry “does not have social licence.” This appears to stem from the efforts of a very small but vocal group of anti-aquaculture activists. Despite industry’s many efforts to engage with this small vocal group and the lack of scientific credibility for many of the claims they make, government officials monitor this group very closely and make repeated references to some of the statements they make expressing concern about loss of political support in the broader general population.

Experts in social licence describe three boundaries for achieving acceptance of an activity by a community:

1. **Legitimacy**: companies understand what their community’s “norms” are, and be able to work with them. When the legitimacy boundary is surpassed, acceptance of the activity is achieved.

2. **Credibility**: companies provide true and clear information about their activities and comply with their commitments. When the credibility boundary is surpassed, approval of the activity is achieved.

---

2 Boutilier and Thomson (2011)
3. **Trust**: companies create opportunities to collaborate, work together and generate shared experience with the community. When this trust boundary is surpassed, co-ownership of the activity by the community is achieved.

The term “community” is used frequently in discussions of social licence. However, most “communities” are really aggregations of communities, kinships or interest groups that operate as a network. The singular term “community” 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. This kind of cohesion is usually absent, and therefore efforts may be undertaken to build this common understanding. For this reason, representatives of communities where the aquaculture activity is planned must often take responsibility for aspects of community engagement/building a social licence, and aquaculture companies in Canada have taken lead roles in designing better community engagement processes to assist in that effort.

So who “grants” social licence? The short answer is no one person or group. For an aquaculture site, social licence to operate is rooted in the beliefs, perceptions and opinions held by the local population. But many groups near and far, those who are significantly impacted or who could also affect the operation, have influence over those local perceptions. A company might well be able to achieve social licence where two strong opposing views exist: the local population has significant buy-in and “co-owns” the aquaculture industry in their midst; but particular anti-aquaculture groups might give it “barely acceptable” or even “unacceptable” approval levels.

How is social licence earned? There are many actions that can be taken in the effort to earn community approval and social licence. They are all aimed at achieving legitimacy, credibility and trust within the community, and involve:

- **Economic interaction**, whereby companies demonstrate that the activity offers a benefit to the community within which it operates e.g. local jobs created, donations to community groups, economic relationships with the local communities (purchase goods and services locally)
- **Public standards/regulation**, whereby companies (and governments) demonstrate that regulatory requirements are being met, ensure communities understand the regulatory oversight and monitoring regime, and ensure that credible data on regulatory compliance is given to communities in a timely fashion
- **Cooperation**, which involves clear processes for community engagement, clear understanding of community expectations, delivering on promises, and being respectful, honest, and open in all transactions
- **Connection**, whereby the company earns community approval over time through a positive track record in community–business transactions, goes beyond minimal regulatory requirements, describe and track actions that thoroughly embed the activity in communities, and invests in third party certifications to demonstrate actions achieved
While companies have the greatest role in earning social licence, governments play an important role. Fisheries and Oceans Canada (DFO) recognizes the complementary roles of government and industry in developing and maintaining social licence for aquaculture in Canada. DFO’s role stems from its accountability to Canadians and Parliament to ensure “public and Parliamentary confidence in the regulatory management of the sector that yields social well-being and supports economic prosperity.”

A prerequisite for a company to have social licence is the existence of sound risk-based management frameworks for the industry. The setting of regulatory standards, appropriate monitoring of performance against those standards, and communicating the results of this effort to Canadians are generally roles that citizens expect governments to play. Sound risk management must also be supported by proper risk communication efforts by governments that demonstrate and defend the veracity of the regulatory system. For example, government must play a role in correcting misinformation about risks that may be communicated by anti-industry activists in their efforts to garner public support/funding. This is particularly important when government investments have been made in scientific research to better understand and manage risk.

Third parties can also play an important role in social licence. Certification by independent and neutral third parties can assist in building up legitimacy and trust levels, particularly if various stakeholders perceive some weaknesses in government oversight. The aquaculture sector in Canada has played a lead role in the development of numerous third party certification programs, including those of the Global Aquaculture Alliance, the Marine Stewardship Council and the Aquaculture Stewardship Council. Organic certification is now available for aquaculture producers.

The literature points to three main methods to measure whether social licence has been obtained: concrete indicators, participant observation and direct measurement. The “concrete indicators” presented in this paper are based on company information, polling information, material from community organizations, and media reports. The information presented suggests that the aquaculture industry in Canada has achieved “approval” level of social licence, and in many instances, companies have achieved the “co-ownership” level in the communities within which they operate.

Finally, social licence is dynamic; it changes with new information, new people, and new circumstances. Social licence needs to be earned and then maintained by companies at the community level. The evidence presented in this paper suggests that even in the face of a very small but vocal group of anti-aquaculture activists, aquaculture companies in Canada have achieved, and continue to maintain, high levels of social licence within their communities.
1. **Purpose**

The term “Social License” and “Social License to Operate” (SLO) are expressions used to describe how businesses engage with stakeholders to achieve support for their activities in the community where they operate. It also refers to how issues may be managed throughout the life cycle of the activity.

Aquaculture in Canada has been engaged in SLO processes for many years, yet their efforts are not well described, nor understood by government. This paper is an effort to explain, quantify and describe SLO activities in Canada with some thoughts for future efforts for both the aquaculture sector and government.

2. **Social License to Operate (SLO)**

What are attributes of a Social License to Operate (SLO)?

A company or business sector has an SLO when it has the broad acceptance of society to conduct its activities. The SLO requires companies to be responsive to those in society who are immediately affected, in a tangible way, by corporate decisions and actions.

If the activity is localized, then it is the local community that is important to the discussions regarding social licence, relative to other stakeholders. If a Social License is being sought for broader economic activity, such as acceptance of a sector and its products – or if the impacts are perceived to be widely spread – then a more diffuse network of “stakeholder groups” must be engaged.

A Social License...” is not obtained in a courthouse. It is earned from the people of a community, the stakeholders of the project. It is not written on paper, but you can see it in people’s faces when they talk about the development. It is about mutual respect, shared benefits, common trust.”

It is also not restricted to regulatory licenses and permits although these government-led activities can buttress the level of SLO acceptance.

**Why SLO for Aquaculture in Canada?**

Members of the aquaculture community have built and maintained their aquaculture businesses in Canada through involved partnerships with local communities and with First Nations. Their work has also included an assessment of the broader acceptance by the Canadian population.

In many parts of Canada, aquaculture operations have provided stability and resources in communities struggling to survive because of changing economies, particularly in coastal communities. The importance of a year round, well paying full time job in these communities is well understood. Go to [Indicators of SLO in the Aquaculture Industry](#) for more.

---

4 Bichta (2004), p.22
However, some MPs and senior government officials have been suggesting for some time that the industry “does not have social licence.” This appears to stem from the efforts of a very small but vocal group of anti-aquaculture activists. Their campaigns were most active from 2002 to 2006 and media attention guaranteed wide visibility particularly during the PCB food scare in January 2004. Just as technology and globalization have profoundly changed the face of industry and government, these forces have also shaped the modern ENGO movement and their communications strategies. Cyber activism is a term used to describe how a network of activists can use technology as an agent of social progressive change to mobilize networks to influence society (McCaughey and Ayers, 2001). The most successful campaigns combine elements of both lobbying and mobilization of citizens.

Despite industry’s many efforts to engage with this small vocal group and the lack of scientific credibility for many of the claims they make, government officials monitor this group very closely and make repeated references to some of the statements they make expressing concern about loss of political support in the broader general population.

While many of the concerns raised are specific to salmon farming, other aspects of the sector have been criticised, particularly in areas where local values are centered on pristine natural environments. Their arguments are well known:

<table>
<thead>
<tr>
<th>The same old arguments continue . . .</th>
<th>The same old consequences continue . . .</th>
<th>But...the social license debate is changing . . .</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sea lice</td>
<td>Regulatory indifference &amp; hostility</td>
<td>Farmed fish are everywhere</td>
</tr>
<tr>
<td>Escapes</td>
<td>Slow, stalled decision making processes</td>
<td>Farmed salmon are everywhere</td>
</tr>
<tr>
<td>View shed</td>
<td>Lack of sites</td>
<td>Consumers like farmed salmon</td>
</tr>
<tr>
<td>Not “natural”</td>
<td>Political and economic risk</td>
<td>Buyers want farmed salmon</td>
</tr>
<tr>
<td>Running out of feed</td>
<td>Lack of growth, lack of investment</td>
<td>Food supply issues are becoming more recognized</td>
</tr>
<tr>
<td>Feeding fish to fish</td>
<td>Lack of economies of scale</td>
<td></td>
</tr>
<tr>
<td>Competition for wild fisheries</td>
<td>Higher costs</td>
<td></td>
</tr>
<tr>
<td>Corporate!</td>
<td>Slower technological chain</td>
<td></td>
</tr>
<tr>
<td>Foreign!</td>
<td>Loss of market share</td>
<td></td>
</tr>
<tr>
<td>Profit-seeking!</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toxic, unsafe to eat</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Table 1: The Social License Challenge**

What an SLO involves
The pyramid below shows the varying degrees of acceptance/rejection that an activity can have in a community, with the peak showing all but total acceptance, and the base, rejection.

**Figure 1: Social Licence scale**

---

6 Derived from Knapp (2013), pp. 21-23
There are three elements that contribute to the acceptance of an activity by a community:  
4. **Legitimacy**: companies understand what their community’s “norms” are, and be able to work with them. (Companies align with community values.)  
5. **Credibility**: Companies provide true and clear information about their activities and comply with their commitments. (There is low level, infrequent conflict between the stakeholders and the company)  
6. **Trust**: Companies create opportunities to collaborate, work together and generate shared experience with which to grow  

**What SLO does not involve**

A Social License to Operate:

1. **Is not an exercise in communications or public relations.** Communications are critical to relationship-building and community engagement but being clear, open and transparent are only part of the work required by companies / industry to develop SLOs. Further, it is not about funding public engagement programs merely to try and gain the active support of influencers  
2. **Is not granted by courts or governments.** While aspects of an SLO can result from legally binding or quasi-judicial agreement, an SLO is generally more informal in both form and process. As for governments, their major role involves providing regulatory oversight.  
3. **Is not absolute.** It may change over time, as companies work with stakeholders to maintain or improve it.  
4. **Is not necessarily all-encompassing.** The most common practice is for an SLO to be engaged on a site-specific basis. That said, broader SLOs are certainly possible (for example, a company may develop a very positive reputation for good corporate behaviour – such a reputation is similar to a broadly conceived SLO).
5. **Is not likely or expected to represent a 100% consensus.** Judgements will be made by the company and the stakeholders as to when an SLO is earned but, as things progress, it can be expected that the company must cope in their day-to-day operations with stakeholders who have different opinions regarding acceptability.

### 3. Earning an SLO

Since the aquaculture community in Canada operates in many locales, the partnership focus is on local communities relative to other stakeholders. The heavy work in building that partnership (i.e. developing an SLO) thus falls to the aquaculture company that is operating a site or planning for future development.

There is another important role that is not always recognized and that is the role of the local aquaculture association. These associations networked across Canada play an important part in ensuring broad understanding of the business activities, alignment between their members about best practice and shared communications, embedding the values of the aquaculture sector into the communities where they operate.

**Community’s role in building an SLO**

The term “community” is frequently used in a way that suggests a singleness of purpose that does not exist. Most “communities” are really aggregations of communities, kinships or interest groups that operate as a network. However, some understanding of the concept of the SLO can presuppose 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. This kind of cohesion is usually absent, and therefore efforts may be undertaken to build this common understanding. For this reason, representatives of communities where the aquaculture activity is planned must often take responsibility for aspects of community engagement/building an SLO, by:

- Assessing whether the community has any interest in aquaculture activity
- Assessing who might best represent the community in any consultations / negotiations
- Assessing what sorts of consultation processes best meet the community’s needs
- Potentially negotiating agreements with the aquaculture group? Not clear what this means
- Developing a view on what a reasonable consensus within the community means in practice
- Developing decision-making processes internal to the community

That is why earning SLO often involves building social capital in a process that is also known as “community building”, “capacity building” and “institutional strengthening”, among others.

Aquaculture companies in Canada have taken lead roles in designing better community engagement processes that reduce conflict. For example, some companies have moved away from the common panel discussion which can become very confrontational and heated to an open house model where there are several stations manned by company staff and experts to describe different activities in a
conversation with interested stakeholders. Activists are provided space to display their materials and are asked to be respectful of the process.

Governments’ role with SLO is discussed in Section 4 below.

**Who “Grants” the SLO?**

No one: because an SLO is a reflection of acceptance among key stakeholder groups. Those most concerned decide whether or not an SLO exists. Obviously, there are consequences for everyone if the interested parties get it wrong:

- For companies, if the level of acceptance is not there, negative consequences ensue, resulting in roadblocks to development such as denial of tenure or site permits.
- For individuals who mistakenly believe that the level of acceptance is lower than it really is, continued actions against the initiative may affect their relationships with those communities which support the activity.

For an aquaculture site, social licence to operate is rooted in the beliefs, perceptions and opinions held by the local population. But many groups near and far, those who are significantly impacted or who could also affect the operation, have influence over those local perceptions. There needs to be an effort made to address their interest if possible.

A company might well be able to achieve an SLO where two strong opposing views exist: the local population has significant buy-in and “co-owns” the aquaculture industry in their midst; but particular anti-aquaculture groups might give it “barely acceptable” or even “unacceptable” approval levels.

SLOs are dynamic; they change with new information, new people, and new circumstances. SLOs need to be earned and then maintained.

Other considerations apply in certain circumstances. Developing an SLO when First Nations are involved may lead to more formal negotiations and agreements because of history, treaty obligations or other considerations. In Quebec, with its civil law system, certain aspects of an SLO may eventually be written in regulation.

**How to earn an SLO**

There are many actions that can be taken in the effort to earn approval and SLO. They are all aimed at achieving legitimacy and trust, building from the bottom up.
### Table 1: SLO “Levels” of Approval

<table>
<thead>
<tr>
<th>Building Legitimacy and Trust</th>
<th>3. <strong>Connection</strong></th>
<th>2A. <strong>Operation</strong></th>
<th>2B. <strong>Public Standards</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>institutional trust / psychological identification</td>
<td>Higher level of approval (favourable regard, pleased with)</td>
<td>Lower level of acceptance (tolerate, consent to, or agree with)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level</th>
<th>Economic Interaction</th>
<th>Minimal Interaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.</td>
<td>Chance of rejection</td>
<td></td>
</tr>
</tbody>
</table>

### 1. Economic Interaction
- Openly present plans to communities (residents, representatives, interested groups, etc.) incorporating an assessment of the benefits
- Learn what communities seek from a beneficial relationship with the firm / industry
- Develop and share credible data as the economic activity unfolds – with a focus on what matters to stakeholders (e.g. local jobs created, donations to community groups, financial arrangements re lease agreements etc)
- Where required, develop mutually beneficial agreements
- Build economic relationships with local communities (especially purchase goods and services locally when reasonable)
- Hire and train local residents where appropriate – document and disseminate
- Always deliver on expected community benefits or explain why they could not be achieved
- Ensure benefits are documented by the communities engaged

### 2a. Public Standards
- First and foremost, respect regulatory requirements (If breaches occur, they need to be addressed quickly and openly)
- Ensure communities understand the regulatory oversight and monitoring regime
- Ensure credible data on regulatory compliance is given to relevant communities in a timely fashion

Governments have an obviously critical role to play in the above factors, see “Roles Governments can play” later in this document.

### 2b. Cooperation
- Have clear processes for community engagement
- Ensure a clear understanding of community expectations re fairness in the distribution of benefits; and of expectations regarding good corporate behaviour in their community (i.e. know what they expect, and ensure they know that you know)
- Always deliver on promises – or else explain publicly why they could not be kept
Social Licence and the Aquaculture Industry in Canada

February 27, 2014

- Be respectful, honest, and open in all transactions

By building on the legitimacy and trust developed through the interactions outlined in 1, 2A, and 2B, a level of trust can be achieved which leads to a good Connection between the community and the company.

3. Connection

- Approval at this level is primarily earned over time through a positive track record in community – business transactions
- Go well beyond minimal regulatory requirements (for example, exceeding environmental requirements)
- Describe and track actions that thoroughly embed the activity in communities
- Invest in third party certifications to demonstrate actions achieved

Measuring: What level of SLO has been earned?

There are a number of ways of measuring whether an SLO has been earned. To start with, these involve determining the levels of trust and legitimacy that have been built.

Table 2: Earning SLO Levels of Approval

<table>
<thead>
<tr>
<th>Level of Trust And Legitimacy</th>
<th>Steps to earn an SLO</th>
<th>Has it been earned?</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. CONNECTION (psychological identification/institutional trust)</td>
<td>The perception that relations between the stakeholders’ representatives and organizations, and the firm managers are based on an enduring regard for each other’s interests.</td>
<td>If lacking, “co-ownership” is unlikely. If lacking, but 2A and 2B are present, most stakeholders will grant approval level SLO.</td>
</tr>
<tr>
<td>2B. COOPERATION (interactional legitimacy)</td>
<td>The firm/managers listen, respond, keep promises, engage in mutual dialogue, and exhibits reciprocity in its interactions.</td>
<td>If lacking, approval level of SLO is less likely. If both this and 2A are lacking, approval level is rarely granted.</td>
</tr>
<tr>
<td>2A. PUBLIC STANDARDS / REGULATION (socio-economic legitimacy)</td>
<td>The economic activity contributes to the well-being of the region, the firm respects the values of the community, meets expectations, and acts fairly</td>
<td>If lacking, most stakeholders will withhold or withdraw the SLO. If present, many will grant an acceptance level of SL.</td>
</tr>
<tr>
<td>1. ECONOMIC INTERACTION</td>
<td>The economic activity offers a benefit (to the perceiver).</td>
<td>rejection</td>
</tr>
</tbody>
</table>


Measuring: Has an SLO really been earned?

There are many ways of measuring. For aquaculture activities in Canada, three approaches stand out: concrete indicators, participant observation and direct measurement. The “concrete indicators” in Figure 4 below allow for a rapid assessment, from a distance, using company information, polling information, material from community organizations, and media reports. Of course, the information
may be biased or incomplete. As well, physical actions such as demonstrations and blockades may be the work of minorities within the community and not an expression of majority sentiments. The other two ways of measuring are discussed in Annex A.

### Table 3: Indicators of “Approval”

<table>
<thead>
<tr>
<th>Concrete Indicators</th>
<th>Likely Level of Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political support Co-management of projects</td>
<td>“Co-ownership” (psychological identification) welcome</td>
</tr>
<tr>
<td>Collaborative agreements and expressions of pride in them</td>
<td>Approval</td>
</tr>
<tr>
<td>Lingering/recurrent issues with key communities On-going threats of disruption</td>
<td>Acceptance</td>
</tr>
<tr>
<td>Violence Sabotage Shutdowns</td>
<td>Acceptance NOT achieved</td>
</tr>
</tbody>
</table>

#### Seeing the Benefits

Going beyond strictly legal requirements can have many benefits for companies, for local stakeholders and for governments.

**For Farm Sites/Companies**

- Legitimacy for its presence and actions from a local community’s perspective
- Minimizes the risk of costly delays in regulatory approvals due to opposition
- Assures shareholders and investors that a company is managing social and other risks associated with its projects and activities
- Enhances trust by demonstrating to regulators and other stakeholders that the company is genuinely striving for good performance
- Protects a company’s reputation in times of crisis
- Improves company’s overall reputation and branding, relations with investors, access to capital
- Enhances employee relations, which can lead to improved recruitment, motivation, retention, learning, innovation and productivity.
- Cooperation between companies to achieve shared environmental and fish health protection assists with good management

**For Local Stakeholders**

- Assured environmental protection

---

• Economic growth and jobs (both direct and indirect)
• Improved resources for local government services
• New infrastructure
• Improved social participation and cohesion
• Potential participation in new ventures
• Increased stability in local and remote communities

For Governments
• A level of comfort that a company is acting responsibly
• Ease of ensuring compliance with regulatory obligations
• Economic growth reduces requirements for government services and transfers
• Greater public acceptance of economic activity will reduce pressures for introducing new programs

4. Governments, Third Parties and SLO

Roles Governments can play
While companies have the greatest role in earning an SLO, governments play an important role. Fisheries and Oceans Canada (DFO) recognizes the complementary roles of government and industry in developing and maintaining social licence for aquaculture in Canada. DFO’s role stems from its accountability to Canadians and Parliament to ensure “public and Parliamentary confidence in the regulatory management of the sector that yields social well-being and supports economic prosperity.” According to DFO, they accomplish this objective by:
• ensuring environmental sustainability now and for the future, by prevention and mitigation of possible impacts
• conducting the science needed to guide regulatory and policy decision-making
• enforcing laws and regulations through monitoring and compliance
• ensuring transparent accountability, partnerships with other regulators, and broad engagement through effective governance
• providing timely, accurate, relevant and coherent reporting of information, both on a periodic and ongoing basis about the regulatory management of the sector and its economic and environmental performance.

Fox et al (2002) examined the role of government in corporate social responsibility around the world, and found four key elements that also apply well to SLO: mandating, facilitating, partnering and endorsing.9 These are summarized below, and explained in detail in Annex B.

1. Mandating: Governments can establish sound, risk-based management systems with:
• Minimum standards that the company must meet (using legislation, regulation or licensing)
• Reporting and performance requirements

9 Source: Fox, T., Ward, H., Hoard, B. (2002), pp 3-7
For many, a prerequisite for a company / industry to have social-political legitimacy is the existence of sound risk-based management frameworks for the industry, including reasonable regulatory standards adequately monitored for company / industry performance. Box 1, on the right, illustrates the practical importance of this government role for Canadian aquaculture. The setting of regulatory standards, appropriate monitoring of performance against those standards, and communicating the results of this effort to Canadians are generally roles that citizens in developed countries expect governments to play. Any deviation from this expectation can reduce approval levels. It is critical to SLO, therefore, that the regulatory regime be understood and accepted by the population; governments have a proactive role to inform the public of what they in fact do.

Sound risk-based management systems must also be supported by proper risk communication efforts by governments that demonstrate and defend the veracity of the risk management frameworks implemented by governments. For example, government must play a role in correcting misinformation about risks that may be communicated by anti-industry activists in their efforts to garner public support/funding. This is particularly important when government investments have been made in scientific research to better understand and manage risk.

2. Facilitating: Governments can assist companies to engage communities. They can do research, provide resources to support key stakeholders, provide training programs and employment incentives. Activities such as these demonstrate legitimacy and can assist companies with achieving an SLO.

3. Partnering: Governments can work with stakeholders and companies in bringing complementary skills and inputs of the public sector, the private sector and civil society in tackling complex social and environmental problems

4. Endorsing: Governments can endorse systems of standards (e.g. ISO environmental management systems), and can publicly recognize best practices and exemplary companies. There are many reasons for governments to want to support an SLO for aquaculture in Canada. This activity needs to be expanded to meet the demand for fresh seafood in Canada and elsewhere, and to address the current shortfall in Canadians intake of fresh seafood compared to Canada Health

---

In many parts of the world where World Bank activities take place, SLO is critical for firms because governments are not good regulators, do not provide protection for local populations, and are open to corruption. In such circumstances, firms need to strengthen their interactional trust scores with populations to compensate.
Guide recommendations. This has significant health implications for Canadians. But there can be many reasons why governments may be constrained: lack of understanding of SLOs, lack of money, and lack of public interest.

A real danger to companies / industry that wish to develop a SLO occurs when governments have clear roles to play, but then fall short on delivery. This can decrease company / industry approval by raising issues of legitimacy and interactional trust. Examples would include:

- Failing to have appropriate monitoring
- Lack of overall engagement in public forums and processes
- Miscommunication with respect to company / industry performance
  - Censuring the company / industry without cause
  - Lack of communication when issues arise
  - Staying silent when government decisions are made
- Miscommunication with respect to true environmental and other risks to the public
  - Supporting extremist perspectives without evidence
  - Failure to inform the general public about scientific research results in a clear and understandable way
- Not delivering performance data on time or in easy-to-use formats

In addition, governments cannot play meaningfully on all levels of SLO, because they would not have the requisite knowledge of stakeholders or issues. National governments cannot easily support local initiatives and so are not likely to have a significant role to play in the development of an SLO with a local community beyond ensuring adequate regulatory regimes. Conversely, regional (provincial, local) governments may not be able to contribute significantly to an industry seeking to gain broad approval across the country for its economic activities and products.

**Roles for Third Parties - Building Trust**

In a recent CAIA survey of consumers and buyers of Atlantic salmon, 63% said that, if they knew that farmed salmon was certified that it met high environmental standards and had sustainable practices, they would be more likely to buy the product. 29% said it would make no difference and 8% said it would make them less likely.\(^{11}\)

Companies are likely to gain higher approval levels in their SLO if stakeholders are able to easily verify information used in explanations, discussions or negotiations. This is particularly important on issues associated with environmental and health protection. Certification by independent and neutral third parties can assist in building up legitimacy and trust levels, particularly if various stakeholders perceive some weaknesses in government oversight.

The most prominent worldwide standards are the ISO 14000 series of environmental management standards, which are subject to third party audits.\(^ {12}\) There are standards and certification effort for

---

12 ISO (2009) describes this range of related standards.
aquaculture in particular. The Global Aquaculture Alliance (GAA)\textsuperscript{13} has created \textit{Best Aquaculture Practices (BAP) Standards} for a number of aquaculture stocks. The Marine Stewardship Council has developed environmental standards for managing sustainable fisheries\textsuperscript{14} which can influence sources of sustainable fish meal and oil supplies. The Aquaculture Stewardship Council\textsuperscript{15} is a certification organization with emerging standards for a range of aquaculture stocks. Organic certification is now available for aquaculture producers. Individual retailers also may have certification standards. The aquaculture sector in Canada has played a lead role in the development of these programs and many of the companies in Canada, especially the larger salmon companies have fully embraced these and other standards.

5. \textit{Indicators of SLO in the Aquaculture Industry}

Aquaculture in Canada is located in every province and in the Yukon Territory. All of the companies investing in aquaculture understand the importance of ensuring that the values of local communities are reflected in their day to day business operations. This section provides summary information about the level of SLO in relation to the four factors influencing approval levels that were described above in tables 1 and 2, as well as Annex A. More detailed anecdotal evidence for each of the four factors is presented in Annex D.

1. \textbf{Economic Interaction/Legitimacy}
   - The economic activity offers a benefit (to the perceiver)

   In every province documented evidence exists to reinforce the important role the companies play in ensuring that local communities directly benefit from their financial investment in the community. Local employment is a key factor in this tangible investment, particularly in communities where transition economies due to challenges in traditional fisheries and forestry have created dependence on social programs.

   This stable employment has provided options for rural families which include keeping families in small communities across Canada, providing a range of employment options in extended families which don’t require them to leave home to find work.

   It also has enhanced community assets such as schools, daycares and other facilities. In one community sporadic attendance was noted in schools due to families taking well deserved and overdue vacations.

   As local employment has stabilized, the supply and service industries supporting the sector have begun to grow. This means a range of different business, such as processing plants, netwashing

---

\textsuperscript{13} Read about the GAA at http://www.gaalliance.org/about.
\textsuperscript{14} Their website is http://www.msc.org/about-us/standards/standards/msc-environmental-standard.
\textsuperscript{15} The ASC is described on their website at http://www.asc-aqua.org/index.cfm?lng=1
facilities, catering and grocery outlets, barges and haulers, expanded grocery and hardware stores in small communities taking advantage of improved economic prospects for the residents they serve as customers. Local aesthetic companies note an increase in service demands.

Many communities are showing a zero vacancy rate and numerous housing developments under construction with driveways being paved and other home maintenance and improvements underway such as new siding and new decks. New wharves and water treatment facilities, floating docks, boat launches, new slipway, breakwater protection and road improvements are all beneficiaries of the stabilizing and increasing tax rates. Hospitals and nursing homes have also improved in rural communities due to the stabilization of the tax base.

This investment is matched in some cases by investments by provincial and local governments to further leverage the investment to benefit the communities. In Newfoundland, the Provincial government has invested more than $25 million to support the industry growth since 2006. One mayor in Newfoundland noted improved communication among rural communities in the Coast of Bays regions with people coming from other communities to work and share experiences but as well with a committee known as the Coast of Bays Joint Mayors, where 12 municipal Mayors get together to discuss issues in the region. In BC a similar experience happened when 12 coastal mayors travelled as a delegation to Norway to observe economic, social and environmental improvements there and continued the conversation on their return to Canada. In Port Hardy the mayor explains that “Port Hardy is the only community on the North Island that is growing…I credit the aquaculture industry.”

2a. Public Standards/Regulation (Socio-Economic Legitimacy)

- The economic activity contributes to the well-being of the region, the company respects the values of the community, meets expectations, and acts fairly

Again, there has been a significant effect in local communities across Canada with increases in full-time year-round employment. Local fishermen who had first expressed concern now see increased harvests for lobster especially near the salmon pens due to increased nutrients in the environment. Communities note an improvement in the social health of the community as a result of the employment e.g. reduced incidence of family violence, teen pregnancy stats have all improved due to the work force stabilization.

2b. Cooperation (Interactional Legitimacy)

- The company/managers listen, respond, keep promises, engage in mutual dialogue, and exhibits reciprocity in its interactions.

Companies have worked to establish structures for input where concerns can be raised in a fair and respectful way. Cooke Aquaculture established Community Liaison Committees in Nova Scotia so that community members can communicate openly about topics of interest with the company. Joint research partnerships have benefitted companies, communities and researchers on both coasts, in BC and in New Brunswick. Through a range of activities many aquaculture companies across Canada
are regular contributors to families in need through contributions to school lunch programs, local food banks and Christmas community activities. Companies support classroom activities, and are actively involved in local schools across Canada. Outdoor fitness fields have been constructed in Newfoundland to assist small rural schools.

Harnessing the power of volunteers in aquaculture - Every aquaculture company across Canada without exception makes a contribution to the well being of their communities by providing significant resources through volunteer hours and financial contributions to a wide range of community activities and efforts. This list is all-encompassing and includes contribution to schools, hospitals, day cares, fine arts, performing arts, culinary schools and activities, sports teams and community events. A major contribution is made to local enhancement facilities where equipment, fish feed and expertise form a solid basis for partnerships that have developed over the years.

Across Canada annual beach clean ups are a major focus for companies wanting to assist their communities to have clean shorelines for residents and visitors.

In BC, companies have made a true effort to increase information available to the general public through information releases and weekly farm tours in the summer months. In Newfoundland, annual community open houses and workshops fill the information gap.

3. Connection (Psychological Identification/ Institutional Trust)
   - The perception that relations between the stakeholders’ representatives and organizations, and the company managers are based on an enduring regard for each other’s interests.

In Newfoundland, there is a formal agreement between the aquaculture industry (NAIA) and wild fishing industry union (FFAW) through the Fisheries and Aquaculture Committee for Transparency and Sustainability (FACTS).

In BC there has been a major focus on building respectful First Nations agreements throughout the coast. These agreements have benefitted both the companies involved and the local First Nations community in a range of actions taken.

Continued dialogue between community leaders in the North Island and companies that are operating in that area led to an understanding that in order for there to be more support, there needed to be more effort made to hire local people. Companies responded by focusing on employing people from the area for the shift work on sites and as a result local councillors and business leaders are more confident in their support of the sector.
6. Social Licence for Aquaculture: a National Perspective

The aquaculture industry in Canada has sponsored a number of polls and studies into the level of public acceptance of the industry. Results from a national poll by Abacus Data in 2011\textsuperscript{16} suggests that the industry as a whole reaches an “approval” level, as the majority of Canadians feel the industry is well regulated and operating sustainably. Most Canadians consider farmed fish to be safe (68\% would describe it as safe, only 17\% would describe it as unsafe), healthy, and tasty. Moreover, a large majority of Canadians consider farmed fish to be environmentally sustainable and clean, and perceive aquaculture as an important part of Canada’s food security plan.

In a review of the attitudes of consumer and buyers of BC farmed salmon, Environics found that consumers took a number of factors into consideration in their purchases:

\begin{quote}
\textit{The factor that salmon consumers are most likely to consider to be very important when it comes to making a decision about buying fresh is taste (69\% say it is very important). Other factors that are often considered very important include contamination concerns (54\%), nutritional value (52\%) and being available fresh (52\%). Smaller proportions consider the following factors to be very important: price (44\%), whether it is wild or farmed (37\%), environmental sustainability of the production method (32\%), whether you plan to eat it that day (30\%), saturated fat levels (28\%), ease of cooking (28\%), country of origin (25\%) and how filling it is (20\%).}
\end{quote}


Environics found that consumers and buyers of BC salmon concerned or very concerned about future supplies of fish and seafood (86\%), but much less concerned about potential impacts of fish farming\textsuperscript{17}:

- Harm to ocean floors (7\%)
- Catching other species by mistake (5\%)
- Spread of disease from fish farms (5\%)
- Harm done to the ocean environment by fish farming (4\%)
- Fish farming in general (3\%)
- Escape of non-native species from fish farms to the ocean (less than 1\%)

While a majority of Canadians believe the industry is well-regulated and operating sustainably, views could be more positive as seen in Figures 5 and 6 below.

\textsuperscript{16} Colette, et al. (2011)
\textsuperscript{17} Environics Research Group (2010a), p. 6.
A survey of Nova Scotia residents undertaken by Corporate Research Associates in October 2010 found that, after facts were presented:

- 34% completely supported the aquaculture industry in Nova Scotia
- 49% mostly supported it
- 10% mostly opposed
- 4% completely opposed
- 3% didn’t know

In regards to economic benefits, the population split 49%/49% on whether aquaculture created significant new employment opportunities in rural NS.

A September 2013 study conducted by the Institute for Coastal Research, Vancouver Island University, examined public perceptions of the effects of shellfish aquaculture on the Baynes Sound social-ecological system.

- Survey participants indicated that they felt jobs in the industry are sustainable jobs filled by local people and that their local communities benefit economically from the industry’s activities. In terms of issues related to their own subjective experiences of shellfish
aquaculture, participants expressed pride in knowing products grown in their home waters were known and recognized on menus in distant places.

- Survey participants felt that the most important benefits generated by shellfish aquaculture are food production, employment, and other economic benefits while their most common concerns related to the environment, waste, public use, and aesthetics.
- The perceived effect of shellfish aquaculture on community well-being was largely viewed as positive compared to the effects of other ongoing local issues in the area.
Annex A: Measuring Approval Levels in Social Licence to Operate

There are a number of indicators to measure the level of social licence in terms of Rejection, Acceptance, Approval and Co-ownership. Extensive practical experience and academic design have identified three viable approaches to measuring social license.

The levels of social licence – non-acceptance, acceptance, approval and co-ownership - are shown in Figure 2 below, together with the three boundary conditions (legitimacy, credibility and trust).

Figure 2: Measuring Social License

In this Section, three successful approaches to determining the level of approval in a SLO that has been achieved are described below: use of concrete indicators, participant observation, and direct measurement.

1. **Concrete Indicators:** Public statements and actions can be interpreted as expressions of the level of approval within the relevant communities, as discussed in Table 4 of the main text.

2. **Participant Observation:** In this approach, a neutral observer enters a community and listens carefully to the way in which people describe the company or economic activity. Key words and expressions are recorded and examined for consistency of patterns. Carefully executed, the method\(^\text{18}\) can reveal subtleties such as division of opinion within a community, the relative quality of the SLO and aspects that are conditional or of concern to the community. This approach has the advantage of being rapid and direct but remains qualitative and highly dependent on the skill of the researcher.

3. **Direct Measurements:** a number of empirical tools have been developed and tested for direct measurement of the approval level in SLO. Boutilier and Thomson have developed a set of

---

\(^{18}\) See the literature on qualitative techniques and “grounded theory” such as: _____
questions for use in surveys of key stakeholder groups19. These questions can also be used to survey individuals in populations or used in focus groups, although reliability and validity has not been tested in these circumstances.

Table 4 below shows the simple “agree / disagree” statements20 and their relation21 with the four factors influencing approval levels that were described above in Table 1.

Table 4: Boutilier and Thomson Measurement Tool

<table>
<thead>
<tr>
<th>Agree / Disagree Questions</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. We can gain from a relationship with [company]</td>
<td>Economic Legitimacy</td>
</tr>
<tr>
<td>2. We need to have the cooperation of [company] to reach our most important goals</td>
<td></td>
</tr>
<tr>
<td>3. In the long term [company] makes a contribution to the well-being of the whole region</td>
<td>Socio-Political Legitimacy</td>
</tr>
<tr>
<td>4. [Company] treats everyone fairly</td>
<td></td>
</tr>
<tr>
<td>5. [Company] respects our way of doing things</td>
<td></td>
</tr>
<tr>
<td>6. This [community] and [company] have a similar vision for the future of this region</td>
<td>Interactional Trust</td>
</tr>
<tr>
<td>7. [Company] does what is says it will do in its relations with our [community]</td>
<td></td>
</tr>
<tr>
<td>8. We are very satisfied with our relation with the [company]</td>
<td></td>
</tr>
<tr>
<td>9. The presence of [company] is a benefit to us</td>
<td>Institutional Trust</td>
</tr>
<tr>
<td>10. [Company] listens to us</td>
<td></td>
</tr>
<tr>
<td>11. [Company] gives more support to those who it negatively affects</td>
<td></td>
</tr>
<tr>
<td>12. [Company] shares decision-making with us</td>
<td></td>
</tr>
<tr>
<td>13. [Company] takes account of our interests</td>
<td></td>
</tr>
<tr>
<td>14. [Company] is concerned about our interests</td>
<td></td>
</tr>
<tr>
<td>15. [Company] openly share information that is relevant to us</td>
<td></td>
</tr>
</tbody>
</table>

The scores developed from the questionnaires can be used to determine an overall approval score, which gives the SLO approval level.

As noted earlier, approval levels can be expected to vary by stakeholder group.

Conclusion: Each of the three approaches to measurement has advantages and disadvantages. To the extent possible given time and resource limitations, those seeking to determine whether a SLO has been granted would be advised to use as many different techniques as is feasible.

20 The statements have been generalized in language to reflect the context of this paper, rather than the mine-specific examples in Boutilier and Thomson (2011). The focus on local stakeholders has been retained.
21 In fact, there is a complicated weighting scheme for the responses, given in the appendix to Boutilier and Thomson (2011). The importance of weighting can be seen in the similarity of question 15 on benefits and question 1; they measure perceptions in a slightly different way. The weightings cope with the correlation.
22 In practice, one would use stakeholder group names in the questions.


Annex B: Roles Governments can play

While it is clear that companies / industries have the greatest role in earning SLO, can governments play a positive role? The short answer is yes.

Fox, Ward and Howard explored this question in depth as it relates to CSR23 in a report for the World Bank; they identified the four possible roles for government as shown in Table 5.

Table 5: Possible Public Sector Roles

<table>
<thead>
<tr>
<th>Mandating</th>
<th>&quot;Command and control&quot; legislation</th>
<th>Regulators and inspectorates</th>
<th>Legal and fiscal penalties and rewards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilitating</td>
<td>&quot;Enabling&quot; legislation</td>
<td>Creating incentives</td>
<td>Capacity building</td>
</tr>
<tr>
<td>Partnering</td>
<td>Combining resources</td>
<td>Raising awareness</td>
<td>Stimulating markets</td>
</tr>
<tr>
<td>Endorsing</td>
<td>Political support</td>
<td>Stakeholder engagement</td>
<td>Dialogue</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Publicity and praise</td>
</tr>
</tbody>
</table>


Mandating occurs when governments at different levels establish the minimum standards that business performance must meet: these are always embedded in the legal framework, most usually in legislation, regulation or licensing decisions. An example would be effluent limits for an individual or class of installation. Another example would be disclosure requirements of Securities and Exchange Commissions with respect to financial statements and other information for investors.

More directly, governments may establish:
- Reporting and information requirements for companies with respect to, for example, effluent levels, product characteristics (including safety concerns), etc.
- Mandatory management systems (e.g. in environmental management)
- Requirements for community consultation and approval24

Table 6 below lists more examples, categorized by different themes of CSR. Many, however, could apply equally to SLO.

Facilitating enables or creates incentives for companies to engage communities and reach a SLO. Facilitating also includes conducting research into effective approaches to SLO, providing information to interested parties (such as Industry Canada does with respect to CSR), providing resources to support key stakeholders, and the like. Spending, tax incentives, distribution of research and

23 Fox, T., Ward, H. and Howard B. (2002). While they address CSR, the same framework can apply to SLO.

24 For instance, the World Bank requires FPIC for all its investments in resource extraction projects, and various UN covenant and declarations covering indigenous peoples make it a legal obligation in certain circumstances. The Queensland government, on the other hand, requires proponents of all resource projects to prepare a “Social Impact Management Plan,” to be submitted along with an Environmental Assessment.
guidelines, all can be valuable in making progress. Similarly, government assistance to an industry (training programs, employment incentives, etc.) can also be viewed as demonstrating “legitimacy” and so help companies / industries with achieving a SLO, as well as providing direct assistance. Table 6 includes some possible government actions that could support SLO.

*Partnering* activities are, of course, critical to SLO but are often considered as stakeholder / company partnerships in their relationship building. However, “strategic partnerships can bring complementary skills and inputs of the public sector, the private sector and civil society in tackling complex social and environmental problems.”

A final role of government could be *endorsing*. Examples range from including industry representative in policy, endorsing systems of standards (e.g. the ISO 14000 series for environmental management systems) and performance metrics, to publicly recognizing best practices and exemplary companies.

Governments can play a wide range of roles that may, in the right circumstances, be helpful in achieving appropriate SLOs or better CSR. Can does not, however, mean should. In 2003, the report to the World Bank stated that “few [government initiatives] have been the subject of formal evaluations, so it is impossible to point to best practice examples.” Nevertheless, it is possible to explore further those drivers and constraints that can determine appropriate roles in specific circumstances.

**Table 6: Classification of Potential Public Sector Activities**

<table>
<thead>
<tr>
<th>Public sector role</th>
<th>Mandating</th>
<th>Facilitating</th>
<th>Partnering</th>
<th>Endorsing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Setting and ensuring compliance with minimum standards</td>
<td>Defining minimum standards and establishing targets; establishment of enforcers and inspectorates; supporting citizen legal action</td>
<td>Tax incentives and penalties; ensuring access to information; facilitating understanding on minimum good practice abroad; naming and shaming poor performers; frameworks for voluntary agreements; supporting civil society</td>
<td>Working with multilateral agencies and civil society to build capacity</td>
<td></td>
</tr>
<tr>
<td>Public Policy role of business</td>
<td>Reforming political financing; legislation as policy setting for voluntary action; mandatory disclosure of payments to public bodies</td>
<td>Engaging business in public policy processes; clearly defining societal priorities; including CSR elements in other policy areas</td>
<td>Forums for debating public policy proposals</td>
<td>Including business representatives in policy arenas</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Public sector role</th>
<th>Mandating</th>
<th>Facilitating</th>
<th>Partnering</th>
<th>Endorsing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate governance</td>
<td>Stock exchange regulations and codes; company law</td>
<td>Implementing international principles</td>
<td>Multi-stakeholder code development</td>
<td></td>
</tr>
<tr>
<td>Responsible investment</td>
<td>Guidelines for FDI; requirements for government loan guarantees</td>
<td>Facilitating legislation for SRI; guidelines for public investments; linking investment opportunities to SO policy</td>
<td>Public-private partnerships</td>
<td>Endorsing metrics and indicators; supporting civil society initiatives</td>
</tr>
<tr>
<td>Philanthropy and community development</td>
<td>Mandating corporate contributions</td>
<td>Tax incentives; &quot;timebank&quot; schemes; league tables to promote peer pressure</td>
<td>Public-private partnerships</td>
<td>Publicizing leading corporate givers</td>
</tr>
<tr>
<td>Stakeholder engagement and representation</td>
<td>Licensing requirements for stakeholder consultation</td>
<td>Supporting civil society engagement; defending key stakeholder interests in key forums</td>
<td>Facilitating dialogue and multi-stakeholder processes</td>
<td>Association with particular multi-stakeholder processes</td>
</tr>
<tr>
<td>Pro-CSR production and consumption</td>
<td>Pollution taxes; command and control legislation driving pro-CSR innovation</td>
<td>Pro--CSR export initiatives; capacity building; business advisory services; enterprise development; public procurement; voluntary CSR labels; education and awareness raising; support for civil society action; tax incentives</td>
<td>Joint government-industry investment in capacity; developing sectoral guidelines</td>
<td>Public procurement; pro-CSR management in public sector bodies; labeling schemes</td>
</tr>
<tr>
<td>Pro-CSR certification, &quot;beyond compliance&quot; standards and management systems</td>
<td>Mandatory environmental management systems</td>
<td>Information and capacity building; supporting business-to-business partnering/mentoring; public procurement; tax and regulatory incentives; supporting supply chain initiatives and voluntary certification</td>
<td>Engaging in standards-setting processes</td>
<td>Endorsing specific standards systems and approaches; public procurement and public sector practices</td>
</tr>
<tr>
<td>Pro--CSR reporting and transparency</td>
<td>Mandatory reporting</td>
<td>Guidelines for voluntary reporting; informal incentives</td>
<td>Engaging in multi-stakeholder dialogue on guidelines</td>
<td>Supporting instruments for peer pressure; commending reporters</td>
</tr>
<tr>
<td>Multilateral processes, guidelines and conventions</td>
<td>Implementing guidelines through legislation</td>
<td>Capacity building and technical support</td>
<td>Negotiating agreements; shared monitoring</td>
<td>Endorsing guidelines</td>
</tr>
</tbody>
</table>


**Drivers and Constraints on Government Roles in SLO**

There are many drivers that would cause governments to want to support company / industry SLOs. These can range from the desire for economic expansion of the industry to the utility of the industry.
in solving complex social problems (e.g. aquaculture needs to be expanded to address health issues in the population). In these cases “approval” of the industry – a SLO in other words – can help and may, in fact, be a prerequisite for achieving public policy goals.

But there are at least as many severe constraints on government involvement as there are drivers. Some include: lack of understanding (of SLO, of markets, etc.), insufficient capacity (money, people, other resources), inadequate inter-agency cooperation (whether inter-governmental or inter-departmental), and lack of interest by the public.

Table 7 below summarizes drivers and constraints in the context of CSR, but which are similar to what they would be for SLO.

Table 7: Drivers of and Constraints to Public Sector Engagement

<table>
<thead>
<tr>
<th>Driver</th>
<th>Key constraints</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>International policy processes</strong></td>
<td>• Intergovernmental frameworks</td>
</tr>
<tr>
<td></td>
<td>• Regional intergovernmental cooperation</td>
</tr>
<tr>
<td></td>
<td>• Application of multilaterally agreed guidelines (for example, OECD Guidelines)</td>
</tr>
<tr>
<td></td>
<td>• Lack of public sector capacity to engage in negotiation and implementation</td>
</tr>
<tr>
<td></td>
<td>• Lack of take-up of CSR issues in regional processes</td>
</tr>
<tr>
<td></td>
<td>• Lack of engagement with processes and guidelines (for example, DECD Guidelines</td>
</tr>
<tr>
<td></td>
<td>National Contact Points)</td>
</tr>
<tr>
<td><strong>Trade and Investment promotion</strong></td>
<td>• New pro-CSR export market opportunities</td>
</tr>
<tr>
<td></td>
<td>• CSR-related requirements being introduced in existing export markets</td>
</tr>
<tr>
<td></td>
<td>• The need to attract and retain domestic and foreign direct investment</td>
</tr>
<tr>
<td></td>
<td>• Lack of awareness of -green- or &quot;ethical&quot; market opportunities in export markets</td>
</tr>
<tr>
<td></td>
<td>• Lack of capacity to equip domestic industry to meet CSR-related export requirements</td>
</tr>
<tr>
<td></td>
<td>• Lack of capacity to engage in key standards-setting processes</td>
</tr>
<tr>
<td></td>
<td>• Lack of understanding on the link between public sector interventions on CSR and economic competitiveness</td>
</tr>
<tr>
<td><strong>Maintaining minimum standards</strong></td>
<td>• Demand from business and civil society for a level playing field of social and environmental standards that allows the market to reward leaders</td>
</tr>
<tr>
<td></td>
<td>• Weak enforcement through traditional activities</td>
</tr>
<tr>
<td></td>
<td>• Lack of capacity to maintain and enforce minimum standards</td>
</tr>
<tr>
<td></td>
<td>• Perception that corporate social responsibility is about voluntary business action, not public sector action Weaknesses in the institutions of civil society that are necessary for cooperative management approaches to be effective</td>
</tr>
<tr>
<td><strong>Partnership and civil society demands</strong></td>
<td>• Demonstrations of the potential value of partnerships and private sector engagement to address complex social and environmental issues</td>
</tr>
<tr>
<td></td>
<td>• Domestic civil society pressure to improve environmental and/or social standards (for example, from workforce)</td>
</tr>
<tr>
<td></td>
<td>• Lack of financial or human resources to participate in partnerships</td>
</tr>
<tr>
<td></td>
<td>• Weak institutions of civil society (for example, trade associations, NGDs, trade unions, community based organizations)</td>
</tr>
<tr>
<td></td>
<td>• Weak organized labour</td>
</tr>
<tr>
<td><strong>Consumer demand for sustainable goods and services</strong></td>
<td>• Lack of domestic consumer demand</td>
</tr>
</tbody>
</table>

Annex C: Role of Third Parties in Building Trust

In trying to gain legitimacy, interactional, and eventually institutional trust/co-ownership, companies are likely to gain higher approval levels in their SLO if stakeholders were able to easily verify information used in explanations, discussions or negotiations. Of particular importance are issues associated with environmental protection. Certification by independent and neutral third parties can assist in building up legitimacy and trust levels, particularly if various stakeholders perceive some weaknesses in government oversight.

The most prominent world-wide standards are the ISO 14000 series of environmental management standards, which are audited. Meeting certification requirements for formal environmental management standards (EMS), however, is not inexpensive for companies. For instance, when creating an EMS companies must ensure all jobs are properly described (responsibilities, tasks), people sufficiently trained (training standards must be clear, must be kept current and must be documented), business and reporting processes must be well-defined, documented, and appropriately monitored. Importantly, ISO does not set environmental performance goals; certification demonstrates that the company can ensure it will achieve what it says it will; and that it reports performance accurately. For aquaculture, ISO 14020, which addresses self-declared environmental claims and quantified environmental information about products and services, may be the most relevant.

Because of its limitations, various publics may not be satisfied that ISO certification necessarily means better environmental performance.

Other standards exist, such as the EO100 Standard for oil and gas projects. “Because [that particular] standard was developed in close consultation with local stakeholders, indigenous communities, civil society organizations, and government entities, as well as oil and gas companies and service providers governments. Its adoption was intended to facilitate rapid progress on projects delayed by governmental permitting processes as well as ‘social permitting concerns.’ In other words, Equitable Origins has developed a standard that can be particularly valuable when there are governmental shortcomings.

In forestry, the Canadian Standards Association has promulgated Sustainable Forestry Management Standards (CAN/CSA Z809 and Z804). Certification to these standards provides third party assurance that a forestry operation meets a strict set of biological environmental and social criteria. The CSA certification process requires active participation by local residents and 40 public advisory groups have been established across the country to discuss ways to improve performance with forestry managers each year.

---

27 ISO (2009) describes this range of related standards.
29 Described at http://www.csasfmforests.ca.
For fisheries, the Marine Stewardship Council has developed environmental standards for managing sustainable fisheries\textsuperscript{30}. The purpose of becoming certified by independent third parties to the standard to ensure that the fishery managers conduct their business\textsuperscript{31} to:

- Continue the fishery indefinitely at a reasonable level
- Maintain and seek to maximise, ecological health and abundance
- Maintain the diversity, structure and function of the ecosystem on which it depends as well as the quality of its habitat, minimising the adverse effects that it causes
- Manage and operate in a responsible manner, in conformity with local, national and international laws and regulations
- Maintain present and future economic and social options and benefits
- Act in a socially and economically fair and responsible manner

Aquaculture also has fish farm management standards. The Global Aquaculture Alliance (GAA)\textsuperscript{32} has created \textit{Best Aquaculture Practices (BAP) Standards} to address “environmental and social responsibility, animal welfare, food safety and traceability in a voluntary certification program for aquaculture facilities. BAP certification defines the most important elements of responsible aquaculture and provides quantitative guidelines by which to evaluate adherence to those practices\textsuperscript{33}.” Current BAP standards exist for seafood processing, finfish and crustaceans (covering shrimp, tilapia, pangasius, channel catfish), salmon, mussels, and feed mills.

Alternatively, there is the Aquaculture Stewardship Council (ASC)\textsuperscript{34}, a certification organization established by the WWF and IDH (Dutch Sustainable Trade Initiative). The Council’s standards, as are the BAP standards, are species based (they currently have standards for tilapia, pangasius, bivalves, abalone, salmon and freshwater trout). Generally these identify principles, criteria indicators and standards addressing\textsuperscript{35}:

- Compliance with national laws and local regulations
- Conservation of natural habitat, local biodiversity and ecosystem function
- Protecting the health and genetic integrity of wild populations
- Use of resources in an environmentally efficient and responsible manner
- Management of disease and parasites in an environmentally responsible manner
- Development and operation of farms in a socially responsible manner
- Being a “good neighbor” and conscientious citizen

In a survey of consumers and buyers of Atlantic salmon for the CAIA, found that “Just over six in ten (63\%) say that, if they knew that farmed salmon was certified that it met high environmental

\textsuperscript{30} Their website is \url{http://www.msc.org/about-us/standards/standards/msc-environmental-standard}.
\textsuperscript{31} Marine Stewardship Council (2010), p. 4.
\textsuperscript{32} Read about the GAA at \url{http://www.gaalliance.org/about}.
\textsuperscript{33} Described on the BAP website at \url{http://www.gaalliance.org/bap/standards.php}.
\textsuperscript{34} The ASC is described on their website at \url{http://www.asc-aqua.org/index.cfm?lng=1}.
\textsuperscript{35} See, for example, the standard for salmon farming: Aquaculture Stewardship Council (2012).
standards and had sustainable practices, they would be more likely to buy the product. Three in ten (29%) say it would make no difference and eight percent say it would make them less likely. Certification is particularly persuasive among better educated consumers, more affluent consumers and those who already prefer farmed salmon (although, even among those who prefer wild salmon, 64% say certification would increase their likelihood of buying farmed salmon).”

Besides buying more, some consumers indicated they would pay more for salmon from certified organizations as shown in Figure 3 below.

**Figure 3: How much more willing to pay for certified salmon?**

<table>
<thead>
<tr>
<th>Percentage Increase</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>None/no more</td>
<td>40</td>
</tr>
<tr>
<td>Less than 5% more</td>
<td>2</td>
</tr>
<tr>
<td>5% to 9% more</td>
<td>9</td>
</tr>
<tr>
<td>10% to 14% more</td>
<td>20</td>
</tr>
<tr>
<td>15% to 19% more</td>
<td>5</td>
</tr>
<tr>
<td>20% plus more</td>
<td>24</td>
</tr>
</tbody>
</table>

Mean (including 0) = 12.5%


There are, however, costs to companies as noted above in the discussion of ISO 14000. Depending on whether the existing standards are adequate, these should normally be able to be adopted with relatively little trouble through the CSA. However, it clearly would not be desirable for the industry if only some companies embraced certification but others did not.

In short, certification can assist companies and the industry as a whole in gaining socio-political legitimacy and greater interactional trust in order to solidify their SLO with the public and key stakeholder groups. Certification is, to a great extent, a substitute for government regulation.

37 The purpose of having Canadian standards is to ensure they are readily available to Canadians in both official languages. It also makes incorporation by reference of such standards into law easier for regulators, if that were to prove desirable.
Annex D: Anecdotal Evidence of SLO in the Aquaculture Industry

This Annex provides some anecdotal evidence of the level of SLO in the aquaculture industry in Canada, as summarized in Section 5.

NL – “The Provincial Government is very proud of our partnership with the industry, and our efforts to promote the sustainable growth of aquaculture through investments, programming, and regulation. Since 2006, we have provided more than $25 million to foster the success of the industry, which has helped double the number of finfish sites in the province, helped mussel production reach unprecedented volumes, and created employment for approximately 1,000 people in rural communities.” The Honourable Keith Hutchings, Minister of Fisheries and Aquaculture

NAIA – The economic benefit of aquaculture and associated social license is tangible in NL - it is incredibly important to communities. In fact this week I was with CBC news for 3 days as they are doing a piece on “the economic benefits of aquaculture in rural NL”. I have tonnes of examples - here are a few:

- I had a fishermen say to me “I don’t know much about your activities and its potential effects on my lobster grounds, but my son works for you, my uncle works for you, and my neighbours work for you ... so I got to like you”.
- I had a fisher-lady say to me “thank God for aquaculture – my grandkids live down the road from me now – not across the country.”
- Many new business have opened (Harbour Breton has a Dollar Store!), there is a zero vacancy rate for rental homes, there are numerous new housing developments under construction, the local grocery stores and hardware stores just expanded, 80 driveways were paved last year, 120 the year before and 88 the year before that.
- Most houses in these communities were white 5 years ago (cheapest siding available) … we now have colorful home as people changed their siding and added new decking.
- The hair dresser in one of the towns said to me “I’m so glad you guys came here. 6 years ago people only got their hair cut when they absolutely had to ...now I do colors, extensions, nails, and I just bought 2 new tanning beds”.
- As I mentioned I am on school council and the principal set our priorities for 2013/14 ... one of the priorities was school attendance due to the high absentee rate. I asked why as I didn’t understand and he replied “well, everyone is taking vacations now and pulling their child out of school for weeks at a time”.
- New infrastructure for the communities ... new wharves, new offices, new water treatment ... it goes on and on.
- New toys! There are more boats, campers and jets skis in our local communities than I can count.
- Population increase ... new families moved in means more kids in the school, bigger tax base and there is a wait list for the “daycare” for the pre-school kids. Rural NL never needed a
daycare, but now parents are working, grandparents are working and there are a lot of pre-
school aged kids.”

BCSFA -- “Jobs and the ripple effect of them – an example of day cares, where jobs are needed to keep the care centres open. If one sector cuts back, and therefore children are pulled from day cares, it can be challenging for the centre to stay open and provide care for the few remaining kids, making it more challenging for their parents to stay in the community.”

BCSGA – In a recent study, residents of Baynes Sound were asked to identify the 3 most important benefits that shellfish aquaculture provides to the area. Survey participants cited a host of benefits which were classified into 7 categories: economic, employment, environmental, food production, identity, stewardship, and other. Employment was the most commonly listed benefit of shellfish aquaculture; nearly 80% of participants listed employment benefits. Food production, listed by 41% of participants, and economic benefits, listed by 25% of participants, were also widely cited as benefits. Stewardship, environmental, and reputation & identity benefits were listed less frequently. 9% of participants felt that shellfish aquaculture does not provide any benefits.” Baynes Sound Opinion Survey on Shellfish Aquaculture –Findings, September 2013.

2a. Public Standards/Regulation (Socio-Economic Legitimacy)
   - The economic activity contributes to the well-being of the region, the company respects the values of the community, meets expectations, and acts fairly

NAIA -- Town of Harbour Breton, NL
“As Mayor of the Town of Harbour Breton, our town has been fortunate to have the aquaculture industry as a main employer. We have seen so many economic benefits such as;
   - A significant increase in full-time year-long employment
   - Over 200 people directly employed in the processing plant and countless others on farms and in service to the industry.
   - Harbour Breton has seen the creation of 3 new housing developments since the expansion of the industry.
   - There is a zero vacancy rate for house rentals and a wait list for new house being built.
   - Construction is currently so busy people cannot even get a quote for renovations as the new housing development has everyone too busy.
   - 100’s of driveways were paved in the last 3 years improving the look of our town.
   - A high percentage of existing houses in Harbour Breton have new siding and decks. Our town has become more colorful and tidy looking.
   - Local businesses are booming, expanding and new businesses are opening doors. There is much more disposable income in this town.
   - We enjoy expensive new Infrastructure such a as the new 5.3 million dollar wharf.
   - Schools are full of young children and the town is filled with young working families.
• This is just the Harbour Breton experience ... there are many communities in the Coast of Bays having the same experience.

Thank God for aquaculture!!!!” Mayor, Town of Harbour Breton, NL

NAIA -- Town of Belleoram, NL

“Belleoram is a small town located in Fortune Bay on the South Coast of Newfoundland with a population of 420. We were incorporated in 1946. Belleoram has a long history with traditional fishery, cod, and lobster, and in recent years crab and wellk.

In the 1990’s there was a moratorium on the fishery. As a result Belleoram was facing high unemployment, high social service recipients. In 2006 aquaculture (salmon fanning) was introduced to our shores. What a blessing it was, people started going back to work. The Employment rate increased end the social services rate decreased,

The Federal and Provincial Governments started to take note in helping with the congestion of the Marine infrastructure that was needed in the town, new wharves were built, floating docks, boat launch, new slipway, breakwater protection, road improvements and the list goes on.

The Town Council itself saw benefits, as a result improvements were made to the aging water system and other infrastructure around town. People started to take pride in the Town, by upgrading their housing, etc. .

The fishermen who had problems at first also came on side working with the aquaculture industry; the fishermen saw bigger catch in the lobster fishery especially near the salmon cages.

Aquaculture also brought communities together in the Coast of Bays region. People came from other communities to work and vice versa, people from Belleoram went to other communities in the region to work in the aquaculture industry. Other indirect employment was formed in trucking, diving, etc. More than that, today we have a committee known as the Coast of Bays Joint Mayors, where 12 municipal Mayors get together to discuss issues in the region.

The aquaculture industry (salmon farming) is a blessing to our town and region, very few are now moving to Western Canada for employment. People are going to work in the mornings and now can return at night to be with their families.

So to the people of Nova Scotia, aquaculture is a blessing to your shores, it will not destroy your commercial fishery. Working together is helping to keep both fishery and aquaculture moving forward.” Steward May, Mayor, Town Of Belleoram. July 23, 2013

CAIA – Video of Mayor testimonials (http://www.youtube.com/watch?v=2YDw67unVx0):

Jamie Leroux, Mayor, St Albans, NL

• ``... we have many jobs, 100s of jobs, in our community and in the surrounding areas, and 600 to 800 jobs in the Coast of Bays area from aquaculture``

Terri James, Mayor, Black’s Harbour, NB

• ``Today when you visit one of our busy wharves you’ll find traditional fisheries and salmon farmers working side by side. When you drive around our village, you’ll find a hospital, a beautiful school, nursing home and other commerce – all indicating a healthy community.``

• ``We know this is a responsible and sustainable industry``
Bev Parnham, Mayor, Port Hardy, BC

- “Our first real success at diversification was with the aquaculture industry, which has now become a leading employer in our community, with 200 to 350 direct jobs at any given time on the farms and in primary and value-added manufacturing.”
- “Port Hardy is the only community on the North Island that is growing...I credit the aquaculture industry”

ACFFA -- “In NB and NL we can certainly provide examples of the close ties the salmon farming companies have with their communities and their support of the social infrastructure. The Mayor of Blacks Harbour and others speak eloquently about the improvement in the social health of her community as a result of the employment - family violence, teen pregnancy stats, etc.”

2b. Cooperation (Interactional Legitimacy)

- The company/managers listen, respond, keep promises, engage in mutual dialogue, and exhibits reciprocity in its interactions.

ACFFA – Community Liaison Committee (CLC) - Cooke Aquaculture is committed to participating in the life of the local communities where they operate. As part of this commitment, Cooke established a Community Liaison Committee in Nova Scotia so that community members can communicate openly about topics of interest with the company.

The first CLC has been established for Jordan Bay/Shelburne and more will be added as part of the company’s effort to engage all communities where they operate. The primary objective is to engage in dialogue with the community and help guide the Cooke team’s community outreach and communications activities. The CLC typically consist of about 6 to 10 volunteer members of the local community and selected members of the Cooke team. Members are drawn from a cross-section of key interests of the local community, such as nearby neighbours, community leaders, business leaders, and representatives of the fishery.

Further information can be found at http://aquaculturegrowsns.com/community-liaison-committee

ACFFA -- Friends of Port Mouton Bay - When Cooke Aquaculture operated a farm site at Spectacle Island, NS, in Port Mouton Bay, the company met regularly with community members in an effort to share information and address concerns. Here is what the Friends of Port Mouton Bay had to say on their website:

“In February of 2009, Cooke Aquaculture, based in New Brunswick, took over management of the site at Spectacle Island. In August, 2009 the last fish were harvested, and the site had been fallowed (i.e. not restocked with fish) until June of 2012 when new site owners, Ocean Trout, re-stocked the site with trout.

When Cooke Aquaculture operated the site, Friends and Cooke maintained open communication lines. It led to Cooke granting permission for Friends and Dalhousie University to sample the seabed within the site boundaries in October and November 2009. Representatives of Friends, Dalhousie and Cooke were on board the boat when samples were taken in the fall of 2009.”
Our monitoring includes seabed sampling within the boundaries of the farm site and elsewhere in the Bay. Life forms are counted and lab analysis work provides information on the pattern of recovery. This type of study is comprehensive and has not, to our knowledge, been undertaken previously on any finfish aquaculture site in Nova Scotia.

Further samples have been collected in 2010 and 2011 as Friends continued with the site monitoring and research on recovery timeline, resilience and biodiversity.”

ACFFA -- Helping local communities - Cooke Aquaculture employees are regular contributors to families in need. Throughout the year, Cooke employees help keep food bank shelves full; employees from various departments will regularly go on shopping trips and deliver several carts-full of groceries. At Christmas time, Cooke collects donations for its “Tree of Lights” and money raised goes to the CBC Harbour Lights campaign helping food banks from St. Stephen to Sussex. In 2012, Cooke entered its first ever Relay for Life team in aid of the Canadian Cancer Society and instantly became the top fund raiser at the St. Stephen, NB, event. Cooke Aquaculture is also a major participant in the Saint John Dragon Boat Festival, which raises funds for St. Joseph’s Hospital. One team entered in and the next year the response was strong enough for Cooke to enter two teams: Too Many Cookes in the Boat and The Omega 3’s.

ACFFA -- Cooke in the classroom - Many Cooke Aquaculture employees have been encouraged to get involved in local schools through the Partners Assisting Local Schools (PALS) program. Employees are given time to go into our area schools to participate in programs such as mentoring (in cooperation with Big Brothers-Big Sisters) or as reading mentors or to help with breakfast programs. Cooke employees have also facilitated a Junior Achievement Business Basics program for elementary school students.

ACFFA -- Cooke Aquaculture comes to the rescue of food bank - St. George - Hearing that supplies were getting low at the St. George and area food bank, Cooke Aquaculture came to the rescue Friday. “They really filled our shelves which were very bare,” said food bank coordinator Sarah Norman. She said staff from the company’s finance department spent just under $5,400 on much needed supplies to refill the shelves and she estimated they brought in about 2,583 pounds of food. “I am sure we probably missed a couple of things and that does not include a whole palette of toilet paper. The things they went and got were extremely useful and will be a big help to get us through the winter time.

“We are extremely grateful to Cooke Aquaculture and a special thank you to the finance department who did all the shopping. We are good now but we are looking for Christmas turkeys and Adopt-A-Family sponsors.”

BCSFA – “Increased information sharing: where questions about sea lice, for example, have arisen, companies took the initiative to share information about their farm counts, over and above the information that was provided by regulators to the community.”
BCSFA – “Farm tours – making sites available so that people can see for themselves. In many cases we hear that just having the tours increases people’s confidence – whether they’ve been a tour or not.”

NAIA – “Participation in local activities, charities and workshops:
- The industry association conducts routine (annual) community open houses. “Aquaculture 101” presentations and aquaculture representatives available to attendees to answer any questions.
- My company specifically support most local charities and donation requests. We have a donation committee that assesses each request and $1000’s of dollars each year are donated in our rural communities.
- I am on the school council here in Harbour Breton. The 2 largest aquaculture companies (Cooke and Northern Harvest) assisted our effort in developing a Green and Fit area for the elementary school. They each donated $5000 (total of $10,000), to build an outdoor fitness field for the kids. The employees in aquaculture then came together for a week to level the land, lay the sods and erect the fencing. This was broadcasted in the local media, there is a thank you banner to the companies in the school foyer and the area itself is a constant reminder of the contribution from the local companies.
- NAIA also supports community beach clean-ups and debris awareness campaigns. Annually, NAIA facilitates and sponsors community clean-ups for all the towns in our operating areas. We supply the garbage bags, gloves, etc, provide a mussel boil up lunch, do all the advertising and litter awareness and broadcast each event in the local media.”

3. Connection (Psychological Identification/ Institutional Trust)
- The perception that relations between the stakeholders’ representatives and organizations, and the company managers are based on an enduring regard for each other’s interests.

NAIA -- “NL has a formal agreement with the wild fisheries union. Establishment of the FACTS committee in NL between the aquaculture industry (NAIA) and wild fishing industry union (FFAW). Fisheries and Aquaculture Committee for Transparency and Sustainability. Established in 2011. Signed off by participants and has a Terms of reference. It is a forum for local fishermen to come and meet with aquaculture reps. We plan an agenda and may have invited guest speakers come to address specific issues – i.e. we had the federal and provincial government come and explain the site application process and explain consultation requirements. It has been a good experience to date – the last meeting was amazing ... some fishermen have really changed their attitude on our activities. I can speak to some of their comments.”

NAIA -- “My company specifically agreed to work with the fisheries union (FFAW) to conduct a research study of an area we proposed expansion (we were granted new sites in that area). The fishers had major opposition to our expansion. We agreed to delay stocking and study lobster and crab stocks in the areas for a couple of years pre-stocking. There is an MOU in place for this study.
We are currently in its second year. It has assisted my in gaining the trust of many fishermen who previously had zero trust.

BCSFA – Formal agreements with certain community groups can create SLO – such as those with First nations. First Nations partnerships – examples of Kitsaoo/Xai-xais and Ahousaht. SLO based on the included provisions of the agreements (ie – employment, contract opportunities, community contributions etc.) FN different in that the SLO is more likely to be formalized.

BCSFA – Example of “co-ownership” – Located on BC’s central coast, the Kitasoo First Nation relied for decades on the economy of the commercial salmon industry – and faced extreme economic hardship when the industry collapsed. As part of their economic revitalization plan, the Kitasoo developed a salmon farm in partnership with an established salmon farming company, Marine Harvest Canada. Today, salmon farming provides 15 full-time equivalent jobs for Kitasoo First Nation members worth $450,000 annually. Are these numbers still accurate?

The Kitasoo have also constructed a processing plant. The plant currently processes 1.4 million pounds of farmed salmon each month – generating gross revenues of ~$2.2 million monthly. Processing activities employ 30 full time equivalent jobs at full operation – contributing approximately $1 million in wages to the village economy. The Kitasoo have retained final decision-making powers in all matters pertaining to environmental impacts and decisions - making it clear to their industry partner that the farm will be shut down if environmental degradation occurs. After four years of operations, independent environmental monitoring have found that the environmental integrity of the region remains intact.”

BCSFA – “Ahousaht (Mainstream) and Kitasoo (MHC) are our two most common examples, though both have agreements with other FN that are less ‘operational’ and more business oriented - ie, providing opportunities for contracts etc.”

BCSFA – “Continued dialogue between community leaders in the North Island and companies that are operating in that area led to an understanding that in order for there to be more support, there needed to be more effort made to hire local people. Companies responded by focusing on employing people from the area for the shift work on sites - councillors and business leaders are more confident in their support of the sector.”
References


Corporate Research Associates Inc. (2011), data provided to Cooke Aquaculture

Dare, M. (2011), Improving the theory and practice of community engagement in Australian forest management, University of Tasmania.


Environics Research Group (2010b), Attitudes of Consumers and Buyers toward Atlantic Farmed
Salmon, research report prepared for the CAIA, December 2010.


