

Benefit-sharing mechanisms in developed mining countries: A literature review

Angeliki Garidi¹, George Gaidajis²

1. PhD student, *Department of Production Engineering and Management, School of Engineering, Democritus University of Thrace, Vasilisis Sofias 12, Democritus, Building 1, 67100, Xanthi, Greece.* Email: agaridi@pme.duth.gr

2. Associate Professor, *Department of Production Engineering and Management, School of Engineering, Democritus University of Thrace, Vasilisis Sofias 12, Democritus, Building 1, 67100, Xanthi, Greece.* Email: geogai@pme.duth.gr

ABSTRACT

During the last decades there is an expanding literature regarding sustainable development in the framework of mining industry's activities. What is generally agreed is that it must incorporate economic, environmental and social parameters. Recently, several changes in the mining industry and in community expectations have given emphasis on the benefit sharing necessity and its effect on the avoidance of conflicts and other risks for the mining companies. Sharing benefit and compensating for impacts generated by mining ventures as well as regional development can be achieved with several ways, such as tax payments, employment and community investment projects. Within this context several benefit-sharing mechanisms have been developed and implemented in different mining regions. These mechanisms can be categorized in two major groups, mandatory in the form of government laws and voluntary within the framework of Corporate Social Responsibility policies of mining companies. The objective of this paper is to present a critical review of the research literature of benefit-sharing mechanisms applied in developed mining countries as well as their importance and their importance for the sustainability and developed of mining activities. Furthermore, for this purpose we collected, reviewed, analyzed and categorized data from recent Sustainability and Corporate Social Responsibility Reports of the largest mining companies operating in developed countries with a focus on the European continent. Most of the benefit-sharing found in these reports relate to issues of social and/or welfare dimension (health care, preventive medical care, etc.) and issues of varying character but with a clear economic dimension (environmental rehabilitation, academic scholarships, infrastructure construction etc.).