

How inter-sectoral power relations condition the meaning of the social licence

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ABSTRACT

In publications on the social licence, authors repeatedly talk past one another. Although they appear to be talking about the same concept, they have quite different mental images of the socio-political status of those who grant the social licence and those who seek it.

I propose a typology of inter-sectoral power relations to help distinguish among circumstances in which (a) a company does or does not need a social license, and (b) the term 'social licence' is used to legitimise policy positions that can vary from one extreme to the other.

Prno and Slocomb (2012) classified social licence granting stakeholders according to their membership in three socio-economic sectors: the economic or private sector, the public or government sector, and the civic or community sector. This paper proposes that when the government sector is dominant, as in dictatorships, no social licence is needed because the threat of military intervention obviates the need for stakeholder support. Where the business sector is dominant, companies can effectively self-grant a social licence, even in the face of dissent from less powerful stakeholders. Where the civic sector is dominant, activists have a *de facto* veto that legitimizes their claims to have unilaterally withdrawn the social licence. In such cases, a campaign to embed the social license in business practice is redundant because businesses will simply fail if they do not comply with stakeholder demands.

Evidence is presented in cases from Canada where civic sector routinely stops projects, and Australia, where academics report that business is more powerful than civil society. Other examples show the dynamics of increases and decreases in the power of one sector over another and how alliances between sectors can affect both the granting of the social licence and the discourse in which it is embedded.