THE PROCESS TO OBTAIN AND MAINTAIN A SOCIAL LICENCE IN AN EMERGING MARKET: A CASE STUDY IN ZIMBABWE'S COMMUNITY LAND OCCUPATIONS

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Abstract - The purpose of this study is to determine how a subsidiary of a multi-national corporation (MNC) achieved a social licence to operate (SLO) in a Sub-Saharan host country undergoing agrarian transformation. Several foreign companies and individuals lost their land to communities in the wake of land conflicts between the legal owners and surrounding communities. However, this is a case of one of a few big land owners that have survived and continued to operate, without suffering substantial vandalism from communities. The proposed study suggests this to be an instrumental case of achieving and maintaining a social licence in a context characterised by heighted resource nationalism sentiments. Extant literature acknowledges that communities' demands and expectations are rising. It is therefore no longer sufficient to secure only a legal licence. Emphasis is put on the need for firms reliant on finite natural resources, such as land, to seek a social licence from surrounding communities. Yet, the processes through which such a licence could be achieved and maintained by corporations are little understood. This renders social licence literature incomplete. Scholarship concurs that the field is under - theorised and the concept inadequately conceptualised. This study seeks to close that gap in knowledge by looking across two literatures on social licence to operate and corporate community engagement. The study argues for looking beyond just a link between corporate community engagement and social licence but an empirical demonstration that there is a dynamic link between the process of corporate community engagement and the level of social licence. It is argued that legitimacy and trust are the mechanisms through which this dynamic link is established. An embedded case study methodology is used to document and theorise the processes through which this multi-national corporation achieved a social licence, from the perspective of both the firm and the community. It is proposed that the process of collaborative community engagement is essential in building legitimacy and trust which are the basis of a dynamic social licence. The study will advance theory of Social Licence to Operate by exploring the processes of a typical firm in an understudied but critical agriculture industry. Managers in agriculture and other extractive firms will use the theory built from this study to understand how they can achieve social licence at various levels, thereby mitigating the high social risk associated with losing this licence.

Keywords - Corporate community engagement, social licence to operate, dynamic processes, legitimacy, trust