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	38.70	28.93	287	21.95
	28.92	21.96	5	29.47
	21.95	29.47	272	488.06
	29.46	488.19	3	117.02
	488.07	117.02	9	20.84
	117.00	20.84	370	21.31
	20.83	21.32	126	31.66
	21.31	31.66	69	34.51
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	4.51	33.44	32	29.79
	33.43	29.82	10	21.35
	78	21.37	3	35.87
	34	35.87	17	95.72
	5	95.76	3	

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DEVELOPMENT WITHOUT CONFLICT

The Business Case for Community Consent

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FOREWORD

The rather daunting title of this report is “The Business Case for Community Consent.”

But it’s really about common sense. Common sense in a world in which communications are virtually instantaneous and reputation has enormous global value. Almost 75 percent of the market capitalization of the companies in the Dow Jones Industrial Average is intangible—primarily a company’s brand and reputation.

This report examines the premise that the informed consent of a community affected by development projects, either public or private, makes good business sense. It argues that the risks created by not obtaining community consent are significant and quantifiable, as are the benefits obtained with meaningful consultation.

The principle of free, prior, informed consent is still evolving. This paper explores its many facets and the potential implications for the projects that corporations and governments undertake, especially in developing countries.

The process of consultation is not simple, nor is the meaning of consent obvious. In many cases, it is not even obvious who or what constitutes a community; as a consequence, the definition of consent and who can grant it requires careful discussion. But those discussions must acknowledge the ever-increasing expectations that communities have a say in projects that affect their future.

The examples this report presents illustrate the power of strongly mobilized public opinion. A community ignored or scorned can exact a significant financial price in the present and impose opportunity costs for a company in the future.

Many companies and governments still push projects through to completion without community consultation or approval. In many cases, they believe their actions are justified, perhaps even in the public interest. Yet, among affected communities the ripples from such action don’t dissipate quickly.

Even as we refine what this principle means in operation, there is no question that as a principle and as a practice, free, prior, informed consent is a key part of legitimacy.

And if you wonder if that is true, simply ask this question: Is your company better off having the people in the communities where you operate with you or against you?

It is just plain common sense.

JONATHAN LASH

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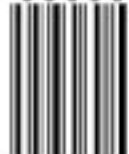
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