**Process area contribution Schoonebeek: a reflection**

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The municipality of Coevorden asked for an independent response to the process surrounding the area contribution in Schoonebeek. We're doing this as researchers affiliated with the Knowledge Platform Leefbaar en Kansrijk Groningen, which brings together knowledge about the social impact of gas production in Groningen.[[2]](#footnote-1) One aspect of this is learning from the experiences around the Groningen field.

In this response, we present our views on the process surrounding the area contribution in Schoonebeek. The insights from the “Groningen case” which are relevant to Schoonebeek are our starting point. We draw conclusions from this for the current situation and finally analyze the area process in Schoonebeek.[[3]](#footnote-2)

**Considerations about mistakes in Groningen**

In the exploitation of the Groningen field, many things went right but many things also went wrong. For Schoonebeek, it seems relevant to us how cooperation broke down and the relationships between the four “parties” (the state, the operator NAM, regional authorities and the local population) were drastically damaged.

● Relations between the state and operator were damaged because, since the start of extraction, the profit and cost sharing agreements did not consider “dire weather” scenarios.

● Dire weather scenarios were left unaccounted for because potential risks were underestimated for too long. Monitoring was inadequate. Manifest hazards were underestimated. There was insufficient independent knowledge. Decisions were taken based on financial and technical considerations; local residents played no part in them. The supervisor did not intervene when damage reports escalated and the earthquakes worsened. When the dangers could and would no longer be ignored, knowledge about risks proved inadequate.[[4]](#footnote-3) Knowledge and research were used (both by the state, NAM and the region) instrumentally and purposefully to safeguard the interests of the parties involved. This resulted in a great loss of confidence in the ability of companies and governments to assess and manage risks. This has consequences for other mining projects in the Netherlands because residents rate the risk of “Groningen conditions” as high, even if according to the operator and SSM the physical risks are low.

● Information and decision-making were not transparent. Risks and bad news were concealed from the very beginning, presumably to prevent “panic” or to avoid poking the bear. The emphasis was mainly on perception: extraction in Groningen would be completely problem-free. When that was no longer tenable, “the citizen would be the central focus” of the solutions. But according to the PEAG, all decisions revolved around money. The size of the Groningen field played a role in this: very large amounts of money were at stake.

● The relationship between state and regional government was damaged by the region's lack of control. Partly as a result, the region was unable to represent the interests of residents. The region successfully litigated against the minister's gas decisions. Residents successfully litigated against NAM and enforced a different approach to damage. The courts thus played a decisive role in redistributing power and forcing different decisions.

● The state and NAM structurally overestimated their ability to mitigate the negative effects of gas extraction (for safety, damage). The assumption seemed to be that all problems can be solved with money and engineering. This turned out to be incorrect. Financial resources are especially useful in solving financial problems. But if residents run into problems of a different nature (stress, arguments with agencies, neighbors or family, alienation from home or environment) then financial resources offer no satisfaction and can even disrupt relationships, if one gets the impression that moral responsibilities are being paid off.

● Because local politics did not adequately represent the interests of residents, they ended up advocating their own interests. A kaleidoscope of action and interest groups emerged. It was difficult to join forces because the Groningen field covers a geographic area that does not care about existing group affiliations. The local residents live in different villages, cities and provinces. There is nothing at all that connects them other than the coincidental fact that they live over the gas field. In Groningen, people started self-organizing because they started to suffer from it. That geographic division is also presumably one of the reasons that local administrators struggled to know and represent resident interests. It damaged the trust in local governments.

● In attempts to cope with the problems surrounding the Groningen field, many separate bodies have been set up for different aspects of the problems. Everyone regrets that enormously complicated system, but no one dares to change it. The Ministry of EZK has also traditionally had separate departments for mining (subsoil) and for the above-ground effects. A lesson for the future could be that breaking up intrinsically related topics and issues can turn out very badly.

**Considerations about the current situation**

The situation in Groningen was possible because until recently, the Netherlands was a “high trust society”: people trusted the state and NAM to be competent and benevolent. In return, the state and NAM relied on problem-free extraction and on their ability to “manage” the environment. But mutual trust has been damaged, confidence in smooth mining has been damaged, and relationships have gone sour. What lessons can be drawn from the above for a new approach appropriate to this much less rose-colored situation?

● Operator-government relations have to be improved. Agreements must withstand setbacks and changing (political and social) circumstances.

● Confidence in knowledge accumulation and monitoring of all possible side effects of extraction will have to be properly established.

● Decision-making will have to become more transparent so that the aforementioned 4 parties know and respect each other's interests and experiences, and understand why decisions are made.

● Regional governments must be able to represent the interests of residents. This can be done, for example, by making them part of the undertaking (as EBN is for the state).

● The operator and governments need to be more mindful of money constraints and non-technical aspects of the business.

● One cannot assume, partly because mining does not care about social and administrative boundaries, that residents know and feel represented by local politics and administration. So local residents will have to be directly involved, and that has to be organized. If local residents are well -coordinated and well-equipped, it is easier to work well with them.

**Response to Schoonebeek Area Contribution Process**

The State Secretary writes: "The area process consists of three tracks, which are unburdening, contributing and licensing. With the Schoonebeek area process, we are gaining experience with the early involvement of citizens and regional authorities in a mining initiative." (Parliamentary Paper 32849 No. 239). Several things strike us about the design of the process.

● It is good that the process is there. There seems to be a new awareness that local residents should be involved in decision-making. This is positive and indicates a change in culture. This is not just a “feeling issue.” Ernst & Young Global Mining and Metals Center (2012) placed the lack of proper benefit and burden sharing in the top 10 business risks in the mining industry. A process that leads to better revenue sharing can also lead to obtaining a Social License to Operate. Academic literature suggests that in addition to financial compensation for extraction, non-material compensation in the form of environmental involvement and/or staff training in various social areas is often chosen.

● In the process, three tracks have been pulled apart: the permit process, the conversation about burdens (“unburdening”), and the conversation about benefits (“contributing”). It seems to us that the conversation about burdens and benefits are connected. Connecting them allows the parties involved to make an integral judgment about the balance between the two.

● Working along three tracks results in only the parties involved in all tracks (presumably the state and the operator) having a complete overview. This means that other parties have a knowledge gap.

●The objective of the environmental area contribution track is to “increase support” and “involvement of local residents in [the] mining project” (De Gemeynt and Stelpstra Opinion, 2023). We notice that the objective seems more or less disconnected from the outcomes, in the sense that in the area contribution track it is not clear to what extent the chosen route (a financial contribution, to be spent by local residents) would result in greater support and involvement.

● The area process in Schoonebeek would be a turnaround for the Netherlands in terms of the benefits of mining projects. But it is not innovative enough in our view. It's about the balance between benefits and burdens. And those burdens of mining are not sufficiently reflected in the existing permit approach (which the current process builds on). The EIA is central in this, and it does not take social impacts sufficiently into account. This means that neither the government, nor the entrepreneur, nor local residents know exactly what the possible social risks and consequences are. The Netherlands is lagging behind in this respect. Internationally, the social consequences have long been mapped out much more extensively. That can be done, for example, with a “social impact assessment” that attempts to give companies, government, and local residents a complete picture of the possible consequences and how to deal with them. Such insights are essential for a good conversation about advantages and disadvantages. When you have an overview of the consequences, you can enter into a conversation with the surrounding area about how to deal with them, and this will also benefit the conversation about the distribution of benefits. We then noticed several things about the course of the process itself.

● The area contribution track revolves heavily around how much money goes to the region. The experience in Groningen shows that other issues are also important (and perhaps conditional). In our view, involvement of local residents in extraction is important, but involvement of miners with the environment and local residents is just as important: it is about developing a meaningful and cooperative relationship. This includes good cooperation around risks and complaints, in a way that is reliable, fair, transparent, and that is not reactive but rather proactive. Furthermore, it is good if the environment is directly involved (and thus gains knowledge, skills and insight into the company) for example because they are employees, through internships and apprenticeships, involvement of the company in community activities such as sports and culture, and so on. Without building such a good relationship first, a conversation about money is risky: good neighbourliness cannot be bought off.

● The state secretary mentions citizen involvement. We were interested in how

local residents are involved in practice in the contribution track. Remarkably, the report

mentions nothing about it. We gather from other sources that there was a residents' meeting on June 21, 2023 where the parties of the contribution trail spoke with about 60 Schoonebeek residents, according to RTV Drenthe.[[5]](#footnote-4) Residents were allegedly told that they will be involved in spending the funds-that would imply that they are not involved in the choices leading up to it. The journalist notes that residents relate the contribution trail and the unburdening trail to each other (similar to our own observation). In that unburdening track, residents are indeed involved. According to media reports, this is not proceeding to the satisfaction of residents.[[6]](#footnote-5) The village council is said to be uncomfortable with the role expected of them. All this raised questions for us about how residents are involved and whether residents might be overcharged: participation requires good support for residents, for example, help in building expertise and freeing up time (see Ubels, 2020, among others).[[7]](#footnote-6)

● It is striking to us that the province and municipalities wrote a response that, based on the discussions held, they are surprised by the choices made by the secretary of state. They feel, it seems, caught off guard. They are also disappointed with the outcome: they feel the amount is too low. Unfortunately, the state secretary's response addresses only the allocated amount. Our impression is that this response is not only incomplete, but also does not match the spirit of the process envisioned by the state secretary. After all, the region indicates that it is unpleasantly surprised because the content of the talks with EZK is different from the letter from the state secretary, and this is not just about the size of the amount. We see this as a signal that the interlocutors perceive procedural injustice. The reason can be innocent (a misunderstanding) or have a more complicated origin (for example, that the Ministry of Finance, which is not participating in these talks, has a different view than EZK). Either way, the region's signal about the procedure is a problem that deserves attention: the desired good cooperation is at risk. Our question is: how do the parties involved intend to restore trust? How will the state avoid this problem from happening again next time?

● We notice in the State Secretary's letter that the proposed cost allocation is 60% NAM and 40% EBN. The experience in the Groningen field was that a similar division started to clamp down on NAM and its shareholders when profits came under pressure as costs increased. We therefore wonder what NAM's view is on the proposal of the state secretary.

1. We discussed this reflection with colleague Prof. Machiel Mulder and thank him for his valuable input. [↑](#footnote-ref-0)
2. The platform is part of the University of Groningen, with funding from the Ministry of Economic Affairs and Climate and regional

   governments. We found the current request from the Municipality of Coevorden to be in line with our core task and (given its limited size) could be carried out

   alongside other ongoing activities. [↑](#footnote-ref-1)
3. We do not describe the process surrounding the area contribution in Schoonebeek in detail here (see for that De Gemeynt and Stelpstra Opinion, 2023). For this memorandum we read, among other things, the report of that process, the Minister's response (Parliamentary Paper 32 849, No. 239), the subsequent response of the Province of Drenthe, Municipality of Coevorden and Municipality of Emmen and the State Secretary's answers to Parliamentary questions on this matter (Parliamentary Questions 2023-2024, No. 1533). We also read pieces on the better distribution of “Charges and Loads” in mining, on which the process in Schoonebeek anticipates (e.g., Parliamentary Paper 36 200-XIII No. 105, 32849 No. 217, 32 849 No. 229). Meanwhile, the study on this has been conducted and the State Secretary of Economic Affairs and Climate wrote an appreciation (32849 No. 240). [↑](#footnote-ref-2)
4. See, among others, the report of the Parliamentary Inquiry Committee on Natural Gas Production Groningen (PEAG, 2022). [↑](#footnote-ref-3)
5. https://www.rtvdrenthe.nl/nieuws/15675469/schoonebeek-heeft-geen-invloed-op-potje-met-olieopbrengsten-wel-op-de-besteding [↑](#footnote-ref-4)
6. https://www.rtvdrenthe.nl/nieuws/16025914/dorpsbestuur-schoonebeek-loopt-weg-bij-ontzorgtafel-over-afvalwater-geen-dubbele-pet [↑](#footnote-ref-5)
7. Ubels, H. (2020). Novel forms of governance with high levels of civic self-reliance. Groningen: University of Groningen. [↑](#footnote-ref-6)