The Social License to Operate in the Onshore Wind Energy Industry: A comparative case study of Scotland and South Africa

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ABSTRACT

The operations of the onshore wind energy industry are seen by some to cause significant disruption to local communities and there is much debate regarding the extent of national and local support for onshore windfarms. Much like the more traditional energy industries such as mining and oil extraction, the onshore wind energy industry must seek a Social License to Operate (SLO) in order to ensure a long-term and sustainable investment. However, the attitudes of local and national communities to onshore wind farms can vary quite widely, which exposes operations to political and economic risks and raises questions regarding the conditions under which an SLO may be reliably obtained. The research presented here examines the role of government policy and ownership structure in the SLO of two operations in two very different national contexts; Scotland and South Africa. Findings from twenty-three qualitative interviews show that ownership structure is not a significant contributor to the community's support of the operation, and that government policy is an important facilitator of community approval. However, it is also shown that the mechanisms of this facilitation are heavily context dependent. The policy implications of this are discussed and recommendations for government and company policy are offered.

Key Words: Wind farms, social license to operate, Scotland, South Africa

1. INTRODUCTION

The Social License to Operate (SLO) concept originated as a response to the challenges being faced by extractive companies in their areas of operation (Morrison, 2014). The SLO is generally understood to consist of ongoing acceptance and approval from the community and other relevant stakeholders (Parsons & Moffat, 2014), and it has been explored extensively in relation to mining and other extractive industries (e.g. Lacey & Lamont 2014, Prno & Slocombe 2012, Meesters & Behagel 2017, Curran 2017). The use of the term has evolved in response to the changing landscapes of national and international governance, market-oriented governance and civil society governance, all of which have resulted in a growing emphasis on stakeholder engagement and social responsibility (Nelson, 2006) and local communities have become key governance actors, with significant implications for the feasibility of extractive and other industrial operations.

The SLO concept originated with the extractive industry for two reasons; firstly the geographically bound nature of their operations means that extractive companies have limited choice when it comes to where to operate - they must extract where the resource is, and as such minimising local opposition is of crucial importance (Thomson & Boutilier, 2011), and the second reason is that the disruptive and damaging nature of extractive operations mean that local approval will be hard won. While the requirements and nature of the social license will differ among industries (Hall, et al., 2015), there are strong arguments for the application of the concept to other industries which operate under similar conditions and which are dependent on the geography of naturally occurring resources, such as the pulp and paper industry (Gunningham, et al., 2004) and the of ocean-based resources covered by the 'blue economy' (Voyer & van Leeuwen, 2019). There is also a strong argument to be made for the applicability of the SLO concept to the onshore wind industry. As with the extractive industry the windfarms can have a significant and disruptive impact on rural landscapes (Hall, et al., 2015) and, in places, face vocal opposition (Hall, et al., 2013). Nonetheless, it is evident that many onshore wind operations do have an SLO and are able to gain and maintain the local consent required for sustainable operation. In the United Kingdom (UK) it has been argued that national policy and not community opposition is the primary obstacle to the development of further onshore wind operations (Harper, et al., 2019). In Scotland for example it has been shown that the support of local people for their local windfarms is quite strong (Warren, et al. 2005, Warren & McFadyen, 2010) and in South Africa research suggests that despite valuing the natural beauty of their surroundings, communities are broadly supportive of the local development of onshore windfarms (Lombard & Ferreira, 2014). Therefore, it is known that in at least some contexts onshore wind operations have gained an SLO,

and while research in Germany has shown community co-ownership may have a positive impact on local support for onshore wind operations (Musall & Kuik, 2011) there is little research which would allow us to identify other contextual conditions under which a SLO may be granted in this industry, or the conditions under which SLO might be granted for a privately owned operation.

The research presented in this paper employs a qualitative comparative case study approach to explore the way in which the SLO for onshore windfarms is constructed and maintained in Scotland and in South Africa. The case studies presented in this paper have differing ownership structures and different national and local contexts, and in using a qualitative and comparative approach we are able to investigate the role of differing contextual factors in the acceptance and support of the local community by identifying the factors which the stakeholders themselves consider to be significant. Based on these insights we offer consideration of how governments and companies may facilitate future onshore wind energy developments in a way that encourages community support and minimises local opposition.

The following section explains our methods and methodology. We then present the case studies, highlighting the key contextual differences which will be explored in relation to the SLO of the operations, and this is followed by the data analysis and a discussion of our findings. Finally, we reflect on the implications of these findings for academic discussions and policy relating to the SLO and the wind energy industry.

2. METHODOLOGY

In order to better understand the contextual conditions of the SLO in the onshore wind industry a case study of an operation in Scotland and a case study of an operation in South Africa are compared. Case study research allows for the investigation of context and phenomena when the boundaries between the two are not clear (Yin, 1989), and a comparative case study allows for the consideration of key differences between two cases (Leedy & Ormrod, 2005). This is an appropriate approach for our research as we investigate the relationship between the context of the two case study windfarms, and the phenomena of the SLO. While it is true that the generalisability of findings from two case studies will be limited, the extent of generalisability may in part rest on the explanatory power of the findings, and therefore the 'quality' of the qualitative data may go some way to address the limitations of the quantity (Platt 1999 p.176).

The research for this paper was conducted in two stages; the first was desk-based research to establish the key information and points of comparison for the two operations, as discussed in the following section. This

information was then used to inform the second research stage which was primary data collection through interviews.

3. THE CASE STUDIES

Some participants requested that their identities be protected and as such a high-level of anonymity has been provided to all participants and the names of the companies and other identifying information has been removed. The Scottish case study is referred to as Case Study A (the windfarm is referred to as Windfarm A and the company which owns the windfarm is referred to as Company A), and the South African case study is referred to as Case Study B (the windfarm is referred to as Windfarm B and the company which owns the windfarm is referred to as Company B).

3.1 Case A (Scotland)

3.1.1 The United Kingdom Context

Wind power has a long history in the UK, but government support for the UK wind energy industry has historically been varied; the sector benefitted from subsidies and public investment throughout the 1990s and the 2000s, but in the 2010s the government focus shifted to other energy sources, including offshore wind energy (International Renewable Energy Agency, 2013). In 2015 the UK government announced that the subsidisation for onshore wind energy would stop, ahead of schedule, the following year (Department of Energy & Climate Change, 2015). The government's public shift away from investment in the onshore wind industry coincided with an increased political concern with the ambivalent attitude of the UK public, with evidence suggesting that communities were supportive of renewable energy, including wind energy, but opposed to the development of onshore wind energy in their local area – the so-called Not In My Back Yard – or NIMBY-ism (Walker, et al., 2007). However, the true extent of local opposition to onshore wind may be overstated, and the latest Energy & Industrial Strategy (BEIS) report on public attitudes in the UK shows that both onshore and offshore wind energy enjoy similarly high levels of public support; 79% and 82% respectively (Department for Business, Energy & Industrial Strategy 2019).

3.1.2 The Scottish Context

Scotland has been governed alongside England as part of Great Britain since the eighteenth century, but in 1997, following a referendum, Scotland gained a devolved parliament. A referendum on full Scottish independence was held in 2015 and 55.3% of the population voted to remain part of the UK. However Scottish nationalism remains strong in the country, and the Scottish Nationalist Party (the leading party in

the Scottish Parliament) continues to campaign for full Scottish independence. The Scottish Parliament currently holds some devolved powers while the UK government maintains some 'reserved' powers which extend to Scotland. Energy policy is reserved to the UK government, but environmental policy is devolved to the Scottish government. In practice this means that the Scottish government has some control over Scotland's renewable energy projects. Scotland's domestic energy consumption is currently dominated by oil and gas (78%), (Energy and Climate Change Directorate, 2019) but the Scottish government uses its devolved powers to champion a range of renewable energy sectors, including onshore and offshore wind energy production. The Scottish government has devised and implemented two programs to this end; the Local Energy Challenge Fund (LECF) and the Low Carbon Infrastructure Transition Programme (LCITP) which invest in major demonstrator projects and accelerate the development of renewable energy infrastructure respectively (Minister for Energy, Connectivity and the Islands, 2019), and in addition there is a further £20 million available through the Energy Investment Fund (EIF), launched in 2018 as a funding source for renewable and low-carbon energy sources (Scottish Government, 2017). Within all of these projects is the aim to '(argue) constructively for the UK Government to ensure that such support matches Scotland's ambitions' (Minister for Energy, Connectivity and the Islands, 2019), and the majority of electricity generated in Scotland comes from renewable technologies (51.7%), compared to 25.6% for the UK (exc. Scotland) (Energy and Climate Change Directorate, 2019). It is evident that the attitude of the Scottish government to the development of the onshore wind energy industry differs from that of the UK government, which creates the potential for tension between the two institutions as the campaign for full Scottish independence continues.

3.1.3 Windfarm A

Windfarm A is owned and operated by a public company (Company A) headquartered in Scotland. The company was established as part of the industrial privatisation policy of the UK government during the late 1980s and early 1990s (Pearson & Watson, 2012). In the mid-2000s it was taken over by a foreign company and is now a wholly owned subsidiary of that company. The windfarm was completed in 2009 and is one of the largest onshore windfarms in the UK. The site covers 53 kilometres of elevated moorland and is under the jurisdiction of three local councils in an area considered to be one of the least deprived in Scotland (Scottish Government, 2016). Company A has a wide range of commitments which the company identify as their 'Sustainable Development Policies'. These include detailed commitments to environmentally responsible business operations and to maintaining and promoting biodiversity in the areas in which they operate. Company A do not explicitly identify a commitment to improving the communities in which they

operate although the company and the windfarm do invest in community engagement. There is a large visitor centre on-site at Windfarm A which is part café, part educational facility and is run by an educational charity. As discovered in the interviews conducted for this research, access to the windfarm site is mandated by the Scottish 'right to roam' law, which requires public access to all land in the country, and the visitor centre was a condition of the planning consent granted for the development of the windfarm operation. In order to facilitate this condition the site comprises 130kms of trails which can be accessed on foot and bike, and can also be used by horse riders. There is also a community benefit fund associated with Windfarm A, which is administered by the three local authorities bordering the site and the association between Windfarm A and the fund is not widely publicised.

3.2 Case B (South Africa)

3.2.1 The South African Context

The South Africa energy industry is dominated by Eskom, the largest South African State-owned Enterprise, which produces 95% of South Africa's electricity and approximately 45% of Africa's electricity (Eskom 2018). South Africa is heavily dependent of coal-fired production which produces 85.7% of the country's electricity (Department of Statistics South Africa, 2018). However, the South African National Development Plan 2030 includes provision for a new energy mix in the country, where the reliance on coal would be reduced to only 29.7% by 2030, with hydroelectric power, nuclear, solar, wind and gas making up most of the balance (South African Department of Energy, 2013). Instrumental to the success of this move away from coal-fired production is the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP), which was introduced in 2011 in order to shift the energy mix towards renewable energy sources, with a focus on wind and solar power suitable to the South Africa environment (Van Biljon, 2017).

The policy drivers of the REIPPP programme can be categorised as follows:

1. Addressing the concerns of electrical energy shortages

2. A national commitment to transition to a low carbon economy that supports environmentally sustainable growth

3. The identified socio-economic development objectives of the Department of Energy

(Independent Power Producer's Office, 2016)

Under the REIPPPP, private bids are invited for projects which are consistent with the above policy priorities. Bids are evaluated on pricing (70% weighting) and on economic development factors (job creation, local content, ownership, management control, preferential procurement, enterprise and socio-economic development; 30% weighting). Within this criteria, ownership structure (including shareholding by black people in the seller, shareholding by local communities in the seller, shareholding by black people in the construction contractor and shareholding by black people in the operations contractor) is given a 15% weighting (4.5% of total weighting) (Eberhard & Naude, 2017). Further, all businesses operating in South Africa are subject to the requirements of Broad-Based Black Economic Empowerment (B-BBEE) legislation, which is designed to enhance the economic participation of black people in the South African economy (Department of Trade and Industry, 2014). Under the B-BBEE framework preferential scoring is offered to all government bids which meet some or all of the requirements outlined in the legislation. The legislation includes seven pillars by which bids may be evaluated: ownership, management control, employment equity, skills development, preferential procurement, enterprise development and socio-economic development (Liebenberg, 2013). Combined, the REIPPPP and B-BBEE government initiatives have created an environment which strongly encourages an element of community ownership in all new energy ventures with an emphasis on the socio-economic development of black South Africans.

3.2.2 Windfarm B

The site for Windfarm B is along the coastline of the Eastern Cape Province and comprises 32 turbines. It was established as a result of the REIPPPP bidding process at a cost of R1.85 billion, and as part of the bid the consortium lead made the commitment that the benefits of the project would:

'*be particularly prominent for the project proponents, landowners on the site, historically disadvantaged South Africans (HDSA's) residing within the geographic location of the … through the proposed B-BBEE trust, the general community through CSI* (Corporate Social Investment) *initiatives and in the achievement of national and regional energy policy goals. The project would result in significant positive economic spin-offs, primarily because of the large expenditure injection associated with it both directly and through the trust and CSI initiative*s'
(Company B Shareholder Environmental Impact Assessment, 2011).

The windfarm consortium consists of a community development trust (CDT) and four other private investors. The CDT owns 26.6% of the operation, which is significantly higher than most projects developed

under the REIPPP, which usually have up to 5% community ownership (Montmasson-Clair & das Nair, 2017), and 98.8% of shares in Windfarm B are South African owned (including those owned by the CDT).

The Community Development Trust is administered by a board of trustees, which, according to the company website, comprises 'independent and community representatives' (Company B website 2018), although the community trustees have yet to be appointed. Finance for the trust's share ownership came from a loan from the Industrial Development Corporation, which is a government funded investor, established to finance projects which contribute to economic growth and industrial development in the country. The Board of Trustees allocate monies from the dividends to community investment projects and the company also has a separate CSI budget which contributes to the same community. The company states that local communities will benefit from R800 Million investment over the 20-year anticipated life of the project (Company B Website, 2018), and the company details a wide range of community initiatives on its website including community-based healthcare facilities, donations to local schools and crèches, the construction of a local library, a month-long event focussed on 'empowering women' and World AIDS Day events, as well as infrastructural development including substantial investments in improving local roads and bridges. These initiatives are well-publicised by the company and feature regularly in local news.

3.3 Case Study Rationale

The countries selected for this research were chosen for both their similarities and their differences. Both countries have a geography which is particularly well-suited for the development of on-shore windfarms, and are prioritising onshore wind-farm development within a broader renewable energy strategy. The socio-economic and political differences between the two settings are considerable and accordingly, the specific policies being pursued differ significantly. The case studies chosen are broadly indicative of their respective countries' onshore wind energy policies; Windfarm A is an example of a private enterprise with a global ownership structure a strong national identity derived in part from past nationalisation, while Windfarm B is an example of B-BBEE in action as well as a product of South Africa's REIPPPP. The case studies therefore differ in ways which are highly relevant for the comparison of policy approaches, and examining these case studies in detail allows for insight into the outcomes and efficacy of two different policy approaches, while our exploratory, qualitative research approach allows for further insight into the contextual conditions of and the community attitudes to the operations' SLO. As we compare just two cases, there are limits to the conclusions which can be drawn from the comparison. However, as with all

qualitative research the emphasis here is on the depth of the data rather than the breadth, and as such our analysis has allowed greater insight into the relationship between contextual conditions and the SLO in onshore windfarms operations.

4. PRIMARY DATA COLLECTION

In order to explore the relationship between the operations' context and their SLO, semi-structured interviews were conducted with representatives of the companies and members of the relevant communities; eleven interviews were conducted for the South Africa case study and twelve interviews were conducted in Scotland. The interviews were mostly conducted on-site, although a few were conducted over the telephone. The structure of the interviews was informed by the research focus and the primary points of comparison between the two companies were used to inform the interview schedule, which was used in both locations. The first interview point, *the role of the government*, was identified due to the significant role played by government support in both operations, as well as the important role played by government in the onshore wind energy industry in general. The second interview point, *ownership structure of the operations*, was included due to the notable differences between the ownership structures of the two operations, and because the ownership structures of each is highly representative of the government policy of each country. The third interview point, *attitude to the wind farm*, was added in order to elicit data relating to the nature and conditions of the SLO for each case study. The interview points were touched on lightly, in order to allow the participant to respond in a way which would reveal both their interpretation of the concept and as well as their views and opinions. The semi-structured nature of the interviews ensured that the data collected was relevant to our research focus, but allowed for the questions to be interpreted in a context-relevant way by the interviewee; for example, when asked about the role of the government interviewees in South Africa understood the question to be about the role of the government in society, while the interviewees in Scotland understood the question to be about the role of the government in the renewable energy industry, although the questions were phrased in very similar ways.

4.1 Sampling

Table 1: Sample Composition

	Participant Affiliation	Identifier (used in analysis below)
Case A	Company A employees involved in policy and planning/ ecology/ community engagement	WFA1 – WFA4

	Windfarm A staff (variety of roles)	WFA4 – WFA8
	Local council representatives	WFA9 & WFA10
	Beneficiaries of the community investment fund	WFA11 & WFA12
Case B	Windfarm management	WFB1 & WFB2
	Community liaison officer	WFB3
	Members of local communities	WFB4 – WFB9
	Beneficiary of CSI funds	WFB10
	Local councillor	WFB11

Purposive sampling was sought in order to ensure the collection of data relevant to our research questions and to allow for a data collection process that was both systematic and flexible (Emmel, 2013). Participants were sought on the basis of their involvement with the windfarms, either direct or indirect. To a limited extent theoretical sampling was also employed within these groups, as some further interviews were sought based on the responses of interviewees identified through the purposive sampling (Corbin & Strauss, 2015). At both sites interviews were conducted with a mix of people who worked onsite, who worked for the company which owned the operation and with members of the surrounding communities. There were some differences in the sample for Case Study A and Case Study B, reflective of the differences between the operations. For example, we were able to interview the Chief Executive Officer (CEO) of Case Study B Windfarm, but were not able to interview the CEO of Company A. However, for both companies, interviews were conducted with people in management positions as well as those involved in the administration of community benefits. Ethical issues were carefully considered, and participation was voluntary with prior written and verbal informed consent obtained before the interviews took place. A few participants requested a very high level of anonymity, and in order to grant this the identities of the operations have been obscured and a comparable level of anonymity has been afforded to all participants The omission of identifying information restricts our ability to discuss the advantages and limitations of our sample in detail, although our access was certainly facilitated by our ability to offer such protection. A larger sample may well have provided greater insight into a broader

range of perspectives, and in particular we would encourage future research which is able to offer a greater consideration of those community members who have no direct contact with the windfarm. The sample composition is shown in Table 1.

5. DATA ANALYSIS

The Interviews were conducted, recorded and transcribed by the researchers, and thematic template analysis was employed (King 2004, King 2012). This approach is well-suited to the critical realist epistemology of the researchers, as well as to a comparative analysis using individual interviews (King, 2012). The criteria for comparison were identified prior to the interviews through desk-based research into the two case studies. Therefore, while our subsequent coding analysis process was inductive, we in fact employed a combination of deductive and inductive analysis (Graebner, et al., 2012). The inductive data analysis of the interviews made use of coding, with interviews being analysed utilising Atlas.ti, a Computer Assisted Qualitative Data Analysis Software (CAQDAS) programme. Thematic template analysis, when employed from a critical realist perspective and with a combined deductive approach, involves the identification of data-driven themes (or 'Level One Codes'), which are then reviewed and refined into more specific sub-themes (or 'Level Two Codes') in accordance with thematic analysis as defined by Braun and Clarke (2006). Although thematic template analysis does allow for the identification of many sub-themes the analysis of data for this research produced a two-level analysis of the data. We then considered the comparative function of each theme and sub-theme and made use of the differences and similarities between the two case-studies to identify the relationship between the distinct national political contexts and ownership structures and the relationship between the companies and the communities in which they operate.

6. RESULTS AND DISCUSSION

Our analysis revealed three level one themes, containing eleven sub-themes. The level one themes are applicable to both case studies, while different sub-themes emerged for each case study. The themes and sub-themes are identified in Table 2.

Table 2: Themes and Sub-Themes

Theme	Sub-Theme	
	Scotland	*South Africa*
One: A Close Relationship Between the National Government and the Wind Farm	Renewable Energy Industry Supported by Scottish government	The company as a substitute for government
	Scotland's Onshore Wind Industry Opposed by UK Government	Ownership Structure and Community Ownership Driven by Government Policy[1]
Two: Ambivalent Attitudes Towards Ownership Structure	Company A is a Scottish Company (regardless of ownership structure)	
	International ownership is inevitable in a global economy	Lack of Understanding/ Appreciation of Ownership Structure
Three: Community Consultation and Community Benefit	Community Engagement as Transactional	Competition for Community Benefits
	Community Benefits 'Nice to Have' (not transactional)	Gratitude for Community Benefits and Consultation

1Sub-theme which crosses two Level One codes

6.1 Theme One: A Close Relationship Between the National Government and the Wind Farm

The relationship between the national government and the operations of the wind farm emerged as a strong theme in both contexts. In the Scottish context, 'The Role of the (Scottish) Government in Supporting the Onshore Wind Industry' was identified as the first sub-theme in Theme One. In particular, the Scottish government's seeming autonomy over renewable energy was referred to by interviewees, indicating an understanding that the development of renewable energy in Scotland was closely aligned with the government activity; *"In Scotland, the SNP in particular are very supportive of renewable development and because energy is not devolved it means they can't say, they don't have the budget to say, 'OK we're going to have our own pot"* (WFA2). 'Scotland's Onshore Wind Industry Opposed by UK Government' was identified as the second sub-theme in the Scottish case study for Theme One, as discussion of the support offered by the Scottish government was often positioned in contrast to the lack of support of the UK government; *"I think the Scottish government is very encouraging of onshore wind. The messaging they give out certainly seems to show that. I think that the problem is that they have their hands tied by the UK government"* (WFA4). Interviewees generally expressed support for Scotland's onshore wind industry, as a source of employment and of energy, and the perceived resistance from the UK government was considered to be obstructive, while the Scottish government's championing of the industry was a source of pride.

In contrast, the South African interviewees tended to discuss the role of the government in relation to the responsibilities and contributions of the company to the community; specifically it was expected, or hoped, that the company would fill in some of the gaps in the social welfare provision of the government and 'The Company as a Substitute for Government' was identified as the first sub-theme in the South African context for Theme One: *"For me, government should be the head, like a school, it should be like the headmaster, the companies should be like the teachers, and then the community should be like the children. If the three work together then everything becomes like a good thing"* (WFB4). Interviewees positioned the responsibilities of the wind farm in relation to the responsibilities of the government, and often expressed the view that the windfarm was doing more than the government to meet the needs of the community: *"From my thinking, what we see, what the wind farm is doing for the communities – not just the schools – don't you think the government should be assisting them? Because we see what they do with what is given to them. Government doesn't do much"* (WFB10). Reference to 'the windfarm' was ambiguous, and it was not always clear to whom exactly the interviewee was referring, probably due to the confusion over the ownership and management of the operation discussed below. As there was confusion over the ownership of the company, it is unlikely that interviewees felt the 'windfarm's' responsibility was derived from the part-community ownership (as they were not aware of it).

Company representatives were aware of the community perception of the company as a substitute for government service provision, and were wary of it: *"As a team we've taken a stance to avoid to do what someone else should do – like a government department; we don't want to disempower them in their mandate because once we become a 'gap-filler' then they might forever take a back seat"* (WFB11), and a similar sentiment was expressed by a local farmer: "*We were always scared that once the project (the wind farm) started pushing money into the clinics and the local schools, the government is going to withdraw*" (WFB7) however in this instance, the interviewee did not seem to feel that his fears had been realised.

Theme One suggests that our Scottish interviewees closely associate the development of the country's wind energy industry and Windfarm A with the Scottish government. It therefore seems likely that in the Scottish case study the SLO was, at least in part, associated with attitudes to the Scottish government. The sub-themes of Theme One which relate to the South African case study suggest a different relationship between attitudes to the government and the operations' SLO, and in Case Study B the respondents suggest that their support for the company is offered, at least in part, due to the provisions made by the company in the absence of more effective state governance (Börzel & Risse, 2010).

6.2 Theme Two: Ambivalent Attitudes Towards Ownership Structure

While the ownership structures of the two firms was identified as an important point of comparison by the researchers, it did not prove to be a significant concern of the interviewees in either case. 'Company A is a Scottish Company (regardless of ownership structure)' was the first sub-theme identified within Theme Two for Case Study A, and amongst the interviewees there was awareness that Company A is wholly owned by a foreign company, but also a sense that most (other) people either did not know this: "*I think they* (other people) *think of it as a Scottish company'* (WFA4). However, all of the interviewees, including those who did not work for Company A, did know that the company was wholly owned by a foreign company, and felt that the 'Scottishness' of the company was not based on ownership; "*so we're owned by a (foreign) company, but it's a (foreign) company that employs hundreds and hundreds of people across the UK, and a really significant number of people in Scotland…"* (WFA2). International Ownership is Inevitable in a Global Economy' was identified as the second sub-theme in the Scottish context within Theme Two, as pragmatic approval of the company's foreign ownership was expressed by interviewees in this case study: "*I would like any company who started in Scotland to be retained within Scotland. But at the same time we're in a globalised age…. for me I would rather it stayed in this country, that the benefits were seen in this country, the profits don't leave this country. But in the global context, that horse has gone*" (WFA7). Economies of scale and the ability to benefit from international best practice were identified as advantages of international ownership and in general there was no sense that the international ownership of the company affected either the operations or the community benefits offered by the company; in fact, it was expressed that Company A sets its own high standards for community engagement and benefit, independent of guidance from their parent company: "*We will contact our stakeholders early on, engage early in the process as in before we start development, we will go to local communities ask them what it is they would like to see… we will involve them in the design of the project… have that dialogue and that element is more (Company A) driven than (parent company) driven*" (WFA3).

In the South African context there was some discussion of the relationship between government policy and the ownership structure of Windfarm B, and the sub-theme 'Ownership Structure and Community Ownership Driven by Government Policy is categorised as a sub-theme which crosses Theme One and Theme Two. Interviewees made frequent reference to government policy in the form of B-BBEE and REIPPPP, both of which are government policies requiring some degree of community ownership for preferential bids, thus linking the operations' ownership structure with the role of the government: "*The government gives licenses and they want to see the wind-farmers (giving) a certain amount of income must go to the public, the people. For instance, in the … wind farm we (the CDT) own 26%*" (WFB11), but this was not always reflected on positively by other interviewees: "*From a business side, I think (government) makes*

too much of BEE (Black Economic Empowerment)*. I think … (the) windfarm is quite heavily BEE structured, and they do push a lot of money into the communities… that's good to see, but it shouldn't be law*" (WFB7).

'Lack of Understanding/Appreciation of Ownership Structure' was the second sub-theme for the South African case study within Theme Two, as there were some assumptions that it is largely foreign-owned: "*It is owned by people from Europe, shareholders from Johannesburg*" (WFB9). When told about the community development trust ownership of the windfarm, the South African interviewees were supportive of the idea, but felt that they were hearing about the community ownership for the first time, and one interviewee suggested it herself: *"I think there should be ownership from the community side, then they will know exactly what the community needs"* (WFB6). However, local councillors and company representatives maintained that sincere efforts were being made to communicate the community ownership to the community; "*we explained to them what is a trust... But we must make them to understand. And we must not tire to tell them at any meeting…*" (WFB11). It therefore seems that there is a sizeable gap between the efforts of the management of the windfarm and the CDT, and the perceptions of the community in Case B.

The findings within Theme Two suggest that ownership structure is not a major contributor to the operations' SLO; in the Scottish context the international ownership structure was largely ignored and some legitimacy seems to have been derived from the perception of the company as Scottish. In the South African case study the community ownership of the operation was not well understood, and while this did not seem to have a negative impact on the community support for the operation it is possible that a greater awareness of the community ownership would lead to greater community support for the operation (Musall & Kuik, 2011).

6.3 Theme Three: Community Consultation and Community Benefit

Community engagement was a dominant issue in both case studies, encompassing both community consultation and direct community benefit. The former relates to the companies' interaction with the community in fora such as consultation processes and town meetings, and the latter relates to direct, financial investment in the community. Discussion of community consultation and community benefit was present in the interviews for both cases studies, although interviewees for Case Study A in Scotland focussed on community consultation, whereas direct community benefit was a concern for many participants for Case Study B in South Africa. The first sub-theme within Theme Three for the Company A was 'Community Engagement as Transactional', and among Company A employees and other stakeholders there was an understanding that not only was community engagement essential for obtaining planning

permission (consent) for the Windfarm A, but that it was also an investment in consent for future operations: "*why do we do it? To get consent – the reality is we have a stakeholder engagement team, we go out to speak to people, we want people to have the best information about what we do, we want them to have the greatest understanding of why we're doing it*" (WFA2). For example, the ecological and biodiversity work done on the Windfarm A site was done in the knowledge that "*for windfarms, they are fundamentally developed in quite sensitive locations… and if you do build them in an area where there is going to be potentially some negative impact, where you have a (good) reputation where you will fix that, that makes people more comfortable with the fact that development doesn't represent a negative issue to the environment and there is some net gain as part of that*" (WFA1).

While there was a sense that Company A did engage well with the community, the recipients of the community investment fund were only vaguely aware of the company's involvement in the fund: *"I'm guessing so* (that the money comes from Windfarm A)*, it's the council that manage the fund isn't it? … the way I understood it there was a couple of windfarms that had this money to distribute so they packaged it up among the council to make things a bit more consistent and allow bigger projects"* (WFA11). The company did not seem to publicise the fund, and as the fund was administered by the local council most people understood the money to be in some way from the council, and the second sub-theme identified here was 'Community Benefits 'Nice to Have' (not transactional)'

Discussions in the South African context focussed more on tangible community investment. Representatives of Windfarm B emphasized that community engagement was very important to the company: "*Our great beauty, our first thing was to start with the community with the phase of construction. So, what has that done for us? It has earned us trust within the community*" (WFA1). One community member supported this, "*they came to us when they first wanted to start the windfarm… they didn't set us aside when they started… they are really involved, they come to the communities, we have meetings with them, we tell them what we need*" (WFA5), but consultation and engagement was not widely commented on by those outside of company management. However, there was notable concern regarding the allocation of community benefits, and 'Competition for Community Benefits' was identified as the first sub-theme within Theme Three for our South African participants. Interviewees were aware that there was money being generated by the windfarm to be invested in the local community, but there was a sense that the money was being spent elsewhere: "*They understand your needs in* (another community served by the windfarm engagement projects)*, but it is a different story, they are not here. They are that side, everything they do is that side"* (WFB6). Inevitably, given the context of the South Africa and the B-BBEE roots of the

windfarm and the community development trust, race was also an issue: "*I remember when they started negotiating with us as landowners, that mentioned was going to be in their plans* (community ownership). *Some of the landowners were a bit upset – who is the community? Is the community just by colour, or is it the whole community?*" (WFB7). Some who had directly benefitted from the community investment of Company B believed that the investment had a positive impact, but that the wind farm had not fully met the needs of the community or the obligations of the company: "*They did the roads, but it is now three years later and nothing has been done again…. The roads are very bad because they (windfarm personnel) are using it more*" (WFB8).

However, there was also a sense of gratitude for the perceived efforts of the company, and 'Gratitude for Community Benefits and Consultation' was the second sub-theme for Theme Three in the South African case study, where beneficiaries were very grateful for what they understood to be the philanthropy of the windfarm: *"For me the company doesn't owe the community anything, but it is through their kindness that they came and do or make a change"* (WFB4), and another interviewee, whose proposal for a local project was funded by the CDT and the CSI budget of the windfarm, spoke very highly of the company's contribution to the community: "*I always say to them, if they cannot believe what the wind farm can do they must look at me, because I am the example of what the windfarm have done for the people*" (WFB10).

The findings within Theme Three suggest that the relationship between community benefits and the operations' SLO is quite nuanced, and highly context specific; in Scotland the investments made in the community by Company A were not widely commented on and did not seem to be a significant factor in community support for the operation, although the consultation processes run by the company did seem to be effective in garnering local support. In the South African context direct provision of community benefits were of notable concern to participants, who expressed gratitude coupled with the sense that many needs had been left unmet, suggesting that while the community investment of Company B did have a positive impact on the operations' SLO it was perhaps not effectively harnessing equally high levels of support among everyone in the local community.

7. CONCLUSIONS AND POLICY IMPLICATIONS

While both windfarms have the support of their stakeholders, the route and roots of this support differ for each case and are highly context-dependent. Findings from the Scottish case study reveal that in this context attitudes to Windfarm A specifically were rooted in attitudes to the onshore wind energy industry in general, and to the Scottish wind energy industry in particular. The initial support for the windfarm was

gained through an extensive consultation process, but the ongoing support rested largely on the perception of the company as a Scottish company which furthered Scottish interests. The strong Scottish identity of the company facilitates the SLO of Windfarm A and the project benefits from a local political climate where independence and self-sufficiency, including energy-self-sufficiency, are being championed. The community engagement of the company takes two forms; the community investment trust and access to the site itself, and the latter has proven a much more effective way of engaging with local stakeholders. The community investment fund may have done a great deal of good locally, but as it is administered by local councils Windfarm A and Company A are not strongly associated with the investment. The site itself receives 200,000 visitors per year (Company A Press Office, 2019) and was considered by the local people interviewed to be a valuable local resource. Direct physical access to the site is perhaps a contributor to the sense that Company A were capitalising on, but not exploiting, a Scottish resource and in giving open access to the land (which was in fact made more accessible as a result of the development of the windfarm), the company was offering a symbol of the shared investment and benefit that the site offered.

Community support for Windfarm B in South Africa was not rooted in attitudes to the wind energy industry; in fact, issues relating to energy production were not raised by any of the community members. In the context of Windfarm B, support was rooted in the community investments which had been made in the name of the wind farm. While in Scotland there was a sense that Company A was a Scottish company (despite being foreign-owned), in South Africa there was a strong sense of separation between the community and the windfarm, and interviewees expressed the view that the company was investing in the community out of 'kindness' (despite the fact that the company is more than a quarter owned by the community). The gratitude the interviewees felt regarding this kindness was tempered in some instances by disappointment that the investment was not greater or more consistent, but it was clear that the company was considered to be a positive contributor to the community. In this context the requirements of the REIPPPP and B-BBEE facilitated the company's SLO, as the conditions under which the bid for the windfarm was won, contributed directly to the community support for the operation. However, there was limited awareness of the connection between government policy and the community engagement of the company among representatives of the community, and it is possible that this lack of awareness positively contributed to their support for the company; if the community were more aware of the link between policy requirements and company operations they might be less grateful to the company, and if they were more aware of their entitlements as part-owners they might be more critical of the company. In this instance government policy has successfully facilitated the company's SLO, although it does not seem that the stakeholders credit the government for this facilitation.

The findings from this research are consistent with the findings of Harper, et al., (2019) that current UK policy restricting the development of onshore windfarms may not be well-aligned with community attitudes to such developments, and that this might be particularly true in the Scottish context (Warren & McFadyen, 2010). Support is also offered to evidence that a community ownership model is conducive to the SLO in South Africa (Lombard & Ferreira, 2014), while also adding insight into the way in which the SLO might be gained where the operation is privately owned and operated. Further, our findings suggest that while the ownership structure is a relevant consideration, the route to the SLO for windfarms will be shaped by the developmental and policy context of the countries in which the windfarms operate. In the Scottish case community support for the operation came from the fact that the windfarm was furthering Scottish interests and Scottish energy policy objectives, and the community investment of the company was an added bonus. In the South African case, the community investment resulting from the windfarm was the primary source of the communities' support, and while this was the result of government policy, the role of government policy was not widely understood or commented on. The windfarm itself, and the role of wind energy, was not identified as being important to the community. The differences between Case Study A and Case Study B can be explained, at least in part, by the social and economic contexts of the case studies; the communities around Windfarm A are affluent by global and by UK standards and they do not depend on corporate philanthropy to meet their needs. The communities in the South African case study are not affluent by global or by South African standards, and they are highly dependent on investment from non-government sources to meet their needs (Hamann, 2014). This dependency accounts for both their gratitude to the windfarm for its investment, and their disappointment that the investment isn't greater. The SLO in Scotland (a developed context) is derived from a perceived consistency with national interests and the SLO in South Africa (a developing context) is derived from perceived consistency with very local interests. In both instances the conditions for the SLO are shaped by national government policy, although awareness of this is very low in Case Study B.

Wind energy companies which seek an SLO therefore must identify whether the communities in which they are operating require consistency with macro or micro interests, which will be governed in part by the developmental stage of the area. In less developed contexts high-profile community investment will be a fundamental requirement of the SLO, regardless of the government policies facilitating this. In more developed contexts perceived consistency with national interests will be a necessary, and possibly sufficient, condition for the SLO.

There are also implications of our findings for governmental policy. In both cases government policy was a vital facilitator of the SLO. In Scotland, government policy created a favourable environment for investment in the onshore wind energy industry which signalled to communities that investment in onshore wind was desirable. In South Africa, government policy signalled to companies that investment in communities was essential. Scottish government policy is meeting its aims in Case A; the communities and the company recognise the importance of energy self-sufficiency and the role of onshore wind energy in achieving this, and the Scottish government is credited for its role. In Case B government policy has been effective in facilitating the development of a renewable-energy industry which has a high-level of community engagement, but the South African government is not generally credited for facilitating this (and the company is credited for its high level of community engagement). In this instance, the government policies requiring investment from companies in communities are in fact exacerbating communities' perceptions that the government is failing to meet their needs, and that companies are 'stepping in'. A recommendation for government policy therefore is to invest in communicating the extent to which companies' community engagement is the result of government policy. Increased awareness of government involvement may affect communities' attitude to corporate investors, who will no longer be seen as voluntarily filling governance gaps of limited statehood (Börzel & Risse 2010 &2016) but, as evidenced by the Scottish case study, there is scope for a company's SLO to be bolstered by the perceived consistency between a company's operations and the country's national interest, particularly as the country develops economically.

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