

Research Project: CSR and Accountability in Key Contexts – Mining.

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Background: The extraction of mineral resources is an industry that faces a number of CSR challenges linked to the health and safety of workers, environmental impacts, non-renewability of resources, the treatment of people who live on land that contains mineral wealth, and the social and environmental health of regions around mines once they close. Although mining operations represent the starting point of many key supply chains for consumer goods, their ‘distance’ from the end consumer means that mining companies do not tend to face direct consumer pressures in the same way that retailers and goods manufacturers do. Perhaps for this reason mining industries remain comparatively under-researched in relation to CSR in view of the scale of the industry and its socio-environmental impacts.

Aims & objectives:

- To extend the understanding of CSR in the context of mining businesses, particularly in terms of complementing existing environmental research with a social focus:
- To analyse the reasons behind socio-environmentally motivated conflicts between mining companies & communities within areas affected by mining to develop new models of CSR suited to this context, and to seek new approaches to managing & resolving conflicts.
- To better understand CSR reporting within the mining industry including the factors behind increased disclosure, the language and constructs used within it and future trends.

About the research: BRASS’s CSR and mining work encompassed broad reviews of concepts of CSR and health & safety in the context of mining, and more specific elements:

- **Mining and social resistance in Argentina:** Argentina has witnessed a rapid expansion in mining over the past two decades. Mining projects, often led by multinational companies, have become a focus of social controversies and social resistance. The Argentine mining industry has been challenged by a number of conflicts formed around gold and copper prospecting and exploitation in areas such as Esquel, Chubut, and Bajo de la Alumbrera, and Catamarca. The research involved a literature review based on academic literature, reports of global financial institutions and mining associations; a comparative analysis of the mining legislation at national and provincial/municipal levels in Argentina; and mapping of mining actors in Argentina. This was followed by data collection via interviewing representatives from the mining industry (local and international companies), regulators, financial community, local government authorities and NGOs and key affected.
- **Governance Challenges in artisanal and small scale mining in West Africa:** The artisanal and small-scale mining (ASM) sector employs up to 4 million people in sub-Saharan Africa providing important sources of non-farm income for unskilled and semi-skilled labourers in areas of high unemployment in rural Africa. This work analysed the extent to which multi-stakeholder regional governance initiatives can address the combined lack of state capacity and political will in order to promote human security and environmental sustainability in the artisanal and small-scale mining (ASM) sector in Ghana (Akwatia) and Sierra Leone (Koidu) using semi-structured stakeholder interviews (with miners, officials from government regulatory agencies, NGO personnel, exporters, mineral traders, mining license-holders, and local chiefs), and participatory observation. A subset of this work also looked at the involvement of women in ASM since this is widespread in practice but women rarely feature in the discourse about CSR and mining.

- Social, environmental & ethical disclosure amongst mining firms: This involved desk research and content analysis of mining company social, ethical and environmental reports, and a classification of reporting companies' styles, backed up with some key respondent interviews.
- CSR in the gold supply chain: During the latter stages of BRASS its CSR and mining research was extended with 60 interviews with gold supply chain stakeholders from both 'upstream' (pipelines, gold refining factories, distributors & exporters) and 'downstream' (investors, officers from supranational institutions, insurance firms and explorers) sectors.

Results and outputs: The CSR and mining work has included the development and testing of a framework which assesses the quality of FDI in mining by linking it to CSR, community relations and accountability. The work in Ghana revealed a number of phenomena including the problems of implementing strategies of negotiation between MNCs, artisanal miners and local communities; the impacts of mine openings and closures on local migration patterns and communities; and the research and practical implications of the overlooked growth in female involvement in artisanal mining in Africa. The work on MNC mining in Argentina revealed that although CSR strategies and ethical responsibilities are set globally, subsidiaries within Argentina negotiated the economic, environmental and legal dimensions of their CSR efforts with the government and their philanthropic responsibilities with local communities.

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Impacts/potential for impact: BRASS developed and promoted its mining work through a stakeholder engagement event in London. It involved 50 participants including mining MNCs (De Beer, Xstrata, AngloGold), consultants, key NGOs and supranational organizations (World Bank, EBRD). This event used innovative stakeholder engagement techniques (such as role playing and framing) to explore current and potential future CSR challenges and conflicts for the extractive industries and to develop a further research agenda in the field. The mining work had widespread practical implications for the management of mining company/ community relations and at times involvement in the projects helped to improve relations.