



ELSEVIER

Contents lists available at ScienceDirect

Resources Policy

journal homepage: www.elsevier.com/locate/resourpol

Mission impossible?: Adopting a CSR-based business model for extractive industries in developing countries

Keith Slack

Oxfam America¹, 1100 15th St, NW, Washington, DC 20005, USA

ARTICLE INFO

Article history:

Received 18 September 2010

Received in revised form

16 February 2011

Accepted 18 February 2011

Available online 6 April 2011

JEL classification:

L72

Keywords:

Mining

Poverty

Development

Guatemala

Human

Rights

ABSTRACT

Corporations in the extractive industries often state their commitment to “corporate social responsibility” principles, but their actual implementation of these principles, particularly in developing countries, is questionable. This contradiction between rhetoric and reality is attributable to the fact that these companies have not fully integrated CSR into their business models. This can be seen in assessments of projects’ costs and benefits, project and technology selection, respect for community consent, and performance incentive structures. The Marlin gold mine in Guatemala provides a concrete example of these sharp contradictions between stated CSR commitments and actual performance.

© 2011 Elsevier Ltd. All rights reserved.

Introduction and background

Although oil and mining companies have in recent years increased their public rhetoric on Corporate Social Responsibility (CSR), the degree to which they actually implement CSR principles in their on-the-ground operations is questionable, particularly in developing countries. Around the world, oil and mining operations continue to be the focal point of community concerns, protests and in some cases outright opposition (Omeje, 2005; Hilson and Yakovleva, 2007; Bush, 2009; Horowitz, 2010). Why is this still happening if most extractive industries companies are genuinely committed to “doing the right thing” on social, environmental and economic issues, as their rhetoric would indicate? In this article I will argue that the answer is that companies have not fully integrated CSR (as it is variously defined) into their business models. It remains largely window dressing that serves a strategic purpose of mollifying public concerns about the inherently destructive nature of extractive industries operations. In the realm of public relations, CSR exists rather than serving as a core component of a company’s business operations. This situation is

particularly apparent in (although not exclusive to) developing countries where government oversight of extractive industries operations is weak or nonexistent. In these contexts, extractive industries companies effectively have *carte blanche* to publicly voice commitment to CSR while flagrantly violating CSR principles in practice. I will examine some examples of this gap between the public relations and business-based approaches to CSR, and conclude by recommending some specific steps that companies could take to make CSR more a part of their core business operations.

There is no standard definition for CSR in the extractive sector. Companies generally use the term (or related ones such as “sustainability”) to refer to commitments to respect environmental and human rights standards. Providing benefits to local communities also tends to be a key part of (particularly in recent years) extractive industries companies’ definitions of CSR. Many companies now produce annual CSR or “sustainability” reports that highlight these benefits and steps taken to protect the environment. A statement found on the website of Newmont Mining, the world’s second largest gold-mining company, is typical of many such stated commitments in the extractive industries sector:

Newmont’s vision is to be the most valued and respected mining company through industry leading performance.

¹ Views expressed are those of the author and not necessarily Oxfam America or Oxfam International.

E-mail address: kslack@oxfamamerica.org

Key to achieving that vision is our ability to make a lasting and positive contribution toward sustainable development through environmental stewardship, social responsibility, and the protection of the health and well-being of our people (Newmont Mining Corporation, 2010).

Industry associations like the International Council on Mining and Metals and the International Petroleum Industry Environmental Conservation Association have also done extensive work to define CSR elements for their respective industries. Multilateral institutions like the International Finance Corporation, the private sector arm of the World Bank, have an array of CSR-related performance standards that they expect their corporate clients to uphold. A collection of private banks, including Citigroup, Barclays and the Royal Bank of Scotland, that provide capital to extractive industries companies have adopted most of IFC's standards in an initiative known as the "Equator Principles" (Equator Principles, 2010).

Likewise, global CSR initiatives relating to extractive industries have emerged in recent years. Most notable among these are the Voluntary Principles on Security and Human Rights (Voluntary Principles, 2010), in which oil and mining companies commit to human rights standards for their security operations, and the Extractive Industries Transparency Initiative (Extractive Industries Transparency Initiative, 2010), in which companies agree to voluntarily disclose their payments to national governments. Participation in, or support for the principles of, the Voluntary Principles and the EITI have become important touchstones in the extractive sector for demonstrating corporate support for CSR (Hilson and Maconachie, 2009; Kostad and Wiig, 2009; Haufler, 2010).

Additionally, a number of organizations, law firms and consultancies have emerged to advise extractive industries corporations on CSR issues. Among these is Business for Social Responsibility, which works in a range of corporate sectors, and has been involved in a number of high-profile extractive projects in recent years (Business for Social Responsibility, 2010). Several large international NGOs, such as Pact, CARE and Conservation International, receive funding from major extractive companies to implement community development or environmental protection projects around oil and mining operations. Companies cite such projects as evidence of their commitment to CSR.

Thus, what could be called the CSR "rhetorical infrastructure" in the extractive sectors is vast and well-established. In part, this reflects companies' public relations strategies. It costs companies little or nothing to voice support for CSR principles, and doing so can reap tangible benefits, such as access to capital (via multilateral or bilateral lending institutions or banks that endorse The Equator Principles). This also reflects pressure from community groups and NGOs who have successfully tarnished the public image of extractive companies and pressured companies to improve social and environmental performance.

The array of corporate CSR rhetoric, multilateral initiatives, and partnerships, however, has failed to allay real and in some cases growing concerns and opposition to extractive activity in developing countries. In recent years, local communities in Latin America, Africa and Asia have protested and in some cases opposed outright EI operations. Some protests have been met with violent suppression by police and security forces as in Guatemala, Peru, Nigeria and Indonesia (Haarstad and Floysand, 2007; Bebbington et al., 2008; Obi, 2010). Of course, not all of the concerns and opposition to extractive activity are directly attributable to specific activities of extractive companies. Some grievances are deep-rooted and have historical or cultural origins that pre-date the entrance of extractive activity into a community (Idemudia, 2007). Nevertheless, the existence of these conflicts

and opposition despite of the extensive rhetorical commitment to CSR by extractive companies (arguably the most extensive of any corporate sector) does present a paradox. Why has the CSR rhetoric not contributed to a marked reduction in conflict around extractive industries? Why do companies not get more credit for these commitments from affected communities? The explanation lies in the nature of large-scale resource extraction itself, and the degree to which corporations move beyond CSR rhetoric towards actual integration of CSR into their ways of operating.

The nature of the business

The industrial-scale extraction of natural resources generates significant social and environmental impacts (Oxfam America and Earthworks, 2004; Extractive Industries Review, 2003). It is simply not possible to construct massive open-pit mining operations or build thousands of miles of pipeline without causing disturbances. These can be controlled but never eliminated entirely. Moreover, oil and mining companies often state that they do not have a choice where they operate, but have to go where the oil or minerals are. This means sometimes operating in socially and environmentally sensitive areas. Espousing CSR in this context becomes in a sense a protection against the inherent nature of the business. True, companies argue, we cause impacts, but we support CSR and therefore we can be trusted to responsibly manage the destructive and disruptive aspects of our operations. A contradiction thus exists between commitments to operate responsibly and the actual mechanics of how the industry currently functions. Displacing a community of thousands of people in order to dig a massive pit in a pristine mountain or rainforest area, and piling up 300 meter-high mountains of waste rock that will inevitably begin to leach sulfuric acid into groundwater used by local communities will never be seen as socially responsible by some observers. In developing countries, these impacts (and concerns about them) can be even greater given governments' limited capacity and political will to effectively regulate extractive operations.

There is an inherent tension between the nature of industrial resource extraction and commitments to CSR—a tension that local communities in resource extraction areas can sense intuitively. For it to become a meaningful framework for facilitating improved social and environmental performance in the sector, corporations need to begin incorporating CSR principles into their business model in a more holistic way than they do now. Some specific areas in which this should happen are discussed below.

Honest assessment of costs and benefits

As discussed above, extractive operations in any form generate impacts in a range of social, environmental and economic areas. They can also provide benefits to countries and communities through generation of revenues and employment. Unfortunately, however, companies often downplay (or ignore entirely) the costs to communities of their operations, while exaggerating (implicitly or explicitly) the benefits EI projects are likely to bring. This is particularly evident in environmental impact assessments (EIAs) prepared for extractive projects. Multiple independent evaluations of EI sector EIAs have found serious deficiencies in the information that they provide (Moran, 2004; Kuipers and Maest, 2006; Salazar Tirado and Powers, 2006). Key issues like potential for water contamination are not assessed with sufficient methodological rigor. Other issues like long-term clean-up costs are sometimes not discussed at all. The core of the problem with such studies lies in the conflict of interests of the entity that prepares the EIA, usually a for-profit environmental consulting firm.

The consultants have a financial incentive to tell clients what they want to hear on environmental issues in order to (1) expedite the advancement of the project (and thus avoid costly delays) and (2) secure further contracts with other companies in the profitable extractive industries sector. An overly burdensome EIA could sully the consultancy's reputation in the industry, which would be inclined to work with more agreeable consultants.

Inaccuracies are also common in assessments of social benefits in the extractive sector. Companies often promise direct and indirect employment benefits that fail to materialize. Perhaps more commonly, local communities *expect* to receive benefits that do not appear. This may not necessarily be because of company promises, but can arise when companies do not communicate explicitly about the benefits their operations *cannot* generate. Companies have an incentive for local communities to have such expectations. Thinking that they will receive benefits helps make the communities more favorably disposed to the company's presence. This helps to facilitate the advancement of the operation and can create a reservoir of goodwill within the community when problems arise. Moreover, proactively communicating to help communities set more realistic expectations can be difficult and risky for companies.

An effective CSR-based business model in the extractive sector would address these issues by incorporating greater intellectual honesty into the assessment of a project's costs and benefits for local communities. Social and environmental impact assessments should be prepared by independent and qualified technical experts who do not have a vested financial interest in the outcome. Companies should proactively communicate with potentially affected communities about the social benefits that its operations can and cannot deliver. Companies should keep the promises they make to communities, and regularly report publicly on progress made on these commitments. Adopting this kind of an approach to cost-benefit assessments would require a major shift in the degree to which extractive industries companies seek to control information about their operations. Doing so, however, is central to building CSR principles, of which informational integrity is surely one, into extractive industries operations.

Project and technology selection

Companies operating in the extractive sector often state that they want their operations to be not only economically profitable, but also to provide tangible benefits to communities and the environment. While this rhetorical commitment is positive, it is unclear to what extent social and environmental considerations can outweigh profitability in corporate decision-making. Would a company forgo a profitable project if it believed the project would not bring sufficient benefit to local communities? At this stage of CSR's development in the extractive sector, it seems unlikely that social benefit would trump corporate profitability in a decision to proceed with a project. Yet, if CSR is to become the fundamental business model in the extractive sector, social sustainability must rise to a coequal level of importance with profitability.

A commitment to true social sustainability would have significant implications for extractive industries companies' project selection. Two issues in particular would need to be fundamentally rethought: (1) resettlement, and (2) operating in conflict areas. Resettlement of communities is one of the most difficult social issues companies face. Rarely – if ever – do resettlements of more than a few hundred people occur without complaints or protests from communities. Even more problematic, resettlements rarely create long-term sustainable benefits for communities, whose people can find themselves worse off than before the resettlement (Dowling, 2002; Szablowski, 2002; Hilson et al., 2007). This happens despite the de facto global standard for

resettlement, which states that communities should be *better* off, or at least as well off, than they were prior to the resettlement (International Finance Corporation, 2006; International Accountability Project, 2010). Given the difficulty of carrying out sustainable resettlements, avoiding projects that require them would be an important manifestation of a CSR-based business model in the extractive sector.

Operating in conflict areas is also a situation fraught with potential to contribute to serious harm to the long-term social sustainability of communities. Company activities may directly or indirectly contribute to violence and human rights violations. Whatever benefit a company's presence might bring in such situations is outweighed by the potential to do serious harm. Colombia and Democratic Republic of Congo are two recent examples in which extractive industries corporations have been directly implicated in conflict and human rights violations (Business and Human Rights, 2010; Human Rights Watch, 2005). True social responsibility means at a minimum doing no harm. Operating in conflict areas makes respecting this principle extremely difficult and suggests that such operations should be avoided.

The kind of technology used to carry out resource extraction also becomes a critical consideration in a CSR-based business model. There is perhaps no more glaring contradiction between stated commitments to CSR in the extractive sector and companies' continued use in developing countries of destructive technologies such as gas flaring in oil operations and ocean and river-dumping of mine wastes. Companies continue to use such practices in Nigeria, Indonesia and Papua New Guinea despite their serious environmental impact because they are cost-effective and are not legally barred from doing so as they would be in most developed countries. If we are to take company CSR commitments seriously, they must commit to not using these kinds of destructive technologies and to ensuring that they avoid double standards between how they operate in developed vs. developing countries. Undoubtedly, avoiding such technologies would increase costs to companies in some situations and render some projects economically unviable, potentially surrendering them to competitors with lower CSR standards, such as Indian or Chinese firms. These kinds of tradeoffs, however, are a necessary component of a true commitment to sustainability and social responsibility.

Respecting community consent

Companies often refer to the need to obtain a "social license to operate" for their operations. Though variously defined, the term is generally taken to mean that companies want to ensure that communities accept their presence. The current broad acceptance of this term in the extractive sector is a positive and hard-won recent development. In part, it reflects the self-interests of extractive industries companies, for whom the business case for social license has become increasingly compelling (Herz et al., 2007). Companies have faced growing threats to the viability of their operations from organized community resistance, which in some cases has forced a suspension or outright abandonment of operations. Such situations represent significant costs to companies.

The rhetorical shift on community acceptance of extractive operations is indeed positive. Less positive, however, have been the actual implementation of the commitment and the acceptance of a more formal legal and policy structure for protecting the right of communities to grant or withhold their consent to extractive projects. Companies continue to resist the right of indigenous peoples to "free, prior and informed consent" to extractive industries development as established in international law,

including the UN Declaration on the Rights of Indigenous Peoples. For many companies, recognizing the right of prior consent is tantamount to extending veto power to communities over extractive projects. Companies maintain this position even as indigenous organizations, UN experts and others state clearly that recognizing consent is not equivalent to a veto (Anaya, 2010).

Community consent is a critical issue – perhaps the most critical – for the adoption of a truly CSR-based business model in the extractive sector. Companies need to move beyond vague commitments to “social license” and adopt the more clearly defined principle of free, prior and informed consent. At its core, the principle represents a commitment by companies to engage in good faith from the beginning of its relationship with a local community and to listen (and act on) community concerns. It is also an attempt to level the power differential between extractive companies and local communities and to build a sustainable and mutually beneficial relationship. Projects that do not have the consent of local communities will not be sustainable and no amount of additional “CSR” programming (community development programs, etc.) will be able to overcome the lack of acceptance and trust.

Create greater incentives and accountability for CSR performance

In extractive industries companies, top managers are still largely compensated based on economic rather than CSR performance. Thus the incentive structure for ensuring that companies comply with CSR commitments remains weak. Corporate social responsibility is too often viewed as an “add on” to the core business and thus not seen as a top priority for managers. Similarly, there is often little accountability for CSR failures. If something goes wrong with a company’s social or environmental performance, it is unlikely that senior managers will be held accountable. In one of the most comprehensive recent reviews of an extractive industries company’s CSR practices, independent reviewers of Newmont’s CSR practices noted “a consistent lack of accountability” within the company for the company’s community relations objectives (Smith and Feldman, 2009).

If extractive industries companies are to adopt a CSR-based business model, they need to begin compensating managers based on measurable performance in CSR-related areas on an equal basis with economic performance. Likewise, accountability for CSR issues should go to the CEO, who must see CSR as a central part of his management of the corporation. Companies should “embed” CSR into a project design and assessment from the very beginning and establish performance indicators for the project’s managers based on CSR indicators.

Companies can do more to “market” the value of their CSR commitments to stock analysts who are often skeptical or even hostile towards CSR, which they see as a distraction from core business issues and hence a drag on profitability. Companies can argue more strongly the business case for CSR and demonstrate how it can help a company’s bottom line. Similarly, companies that are firmly committed to CSR can market themselves more aggressively versus less committed companies, thus positioning themselves as the “company of choice” for communities and responsible investors. This could be particularly effective for Western firms vis-à-vis Chinese and other nonwestern companies, which typically do not have the same level of commitment to CSR principles.

Industry peer pressure

Within the oil and mining industries, there are significant differences in companies’ abilities to comply with CSR principles. In general, larger companies have greater resources and expertise to address CSR issues. They often have entire divisions devoted to

social and environmental issues. Smaller companies lack these resources and often lack experience in dealing with problematic social concerns. Smaller companies also often have a shorter time horizon for carrying out their activities, and thus have less time to devote to addressing CSR issues, such as community consultation.

Although the CSR track records of major oil and mining companies are far from perfect, smaller companies have perpetuated many of the most egregious transgressions against CSR principles in recent years. This is particularly true in the mining sector, where companies have sought to force projects forward despite widespread community opposition (Tambogrande, Peru), had massive waste containment failures (Baia Mare, Romania) and repeated spills of toxic chemicals (Bogoso, Ghana). Major companies with stated commitments to CSR could address this by exerting some industry “peer pressure” over these companies to improve their standards and operations. Industry associations could provide training or resources to smaller companies to improve their CSR performance. Most importantly, “responsible” majors could commit themselves to not investing in projects from junior companies if they have not followed CSR standards in developing the projects. Majors should not benefit from the “dirty work” done by juniors. This is simply in the best business interests of the majors, who could avoid entering situations in which problems have already been caused by the juniors’ irresponsible activities.

This “peer pressure” approach to the juniors would constitute a significant shift in business practices for the major oil and mining companies, whose business model is currently based on outsourcing much of the early-stage project development costs to the junior companies. Nevertheless, it is a critical step for ensuring consistency across the industry on CSR issues. It can also help to create a more enabling environment for CSR implementation by the major companies, which can focus on implementing their CSR standards rather than having to fix problems created by a junior company. The Canadian government, through its “Building the Canadian Advantage” initiative, has begun to take steps to address this problem (Coumans, 2010).

A study of contradiction: the case of the Marlin Mine, Guatemala

There are numerous examples of large-scale extractive projects in developing countries that reveal this contradiction between stated CSR commitments and actual performance on the ground. One particularly stark example is the Marlin gold-mining project in western Guatemala operated by Canadian company Goldcorp. The problems and history of the project have been well-documented (Fuller et al., 2008) and are worth examining in some detail.

The Marlin mine is located in Guatemala’s western highlands and began operations in 2005. The area is populated largely by indigenous people and was one of the hardest hit by Guatemala’s brutal civil war that lasted for 36 years until peace accords were signed in 1996. Widespread atrocities were committed against the indigenous population throughout the war, which have been amply documented by a national truth commission (Comision de Esclarecimiento Historico, 1999).

Marlin was Guatemala’s first major new investment in the mining sector, following liberalization of foreign investment regulations and reform of the country’s mining law. The project was initially supported by an US\$45 million loan from the International Finance Corporation (IFC) to Glamis Gold, the original project operator, in 2004.

From the beginning, the IFC and Glamis (which was purchased by Goldcorp in 2006) claimed that the project would be a model of responsible operations and would contribute significantly to

local community development. Similarly, the IFC also touted the development benefits of the project, emphasizing the creation of jobs and other benefits to community, even going so far as to state that “the responsible extraction of mineral resources is one of the few ways that local indigenous people can hope to break the cycle of poverty” (International Finance Corporation, 2006).

Serious problems emerged before the project commenced operation and have continued since that time. In June 2004, prior to the IFC’s decision to support the project, a Guatemalan indigenous peoples organization and NGOs sent a letter to the IFC arguing that the project had not adequately consulted with indigenous groups as required by the International Labor Organization’s Convention 169 on the Rights of Indigenous Peoples, of which Guatemala is a signatory (Vogt, 2004). In December 2004, community members blockaded a highway to prevent transportation of mining equipment to the site. The blockade lasted 40 days until it was violently broken up by police, resulting in the deaths of two people.

The problems continued. In March 2005, an off-duty mine security guard shot and killed a local transportation contractor. The company denied responsibility for the incident since the worker was off-duty at the time. The perpetrator of the killing was not apprehended or punished (On Common Ground, 2010, p. 173).

During mid-2005, in response to a formal complaint filed by community members, the IFC’s internal ombudsman conducted a review of IFC’s compliance with its own social and environmental safeguard policies in the preparation of the project. The report noted serious shortcomings in the IFC’s implementation of its policies.

More recently, in mid-2010, several international organizations and institutions published critical reviews of the mine’s human rights and environmental performance (Basu and Hu, 2010; E-Tech International, 2010). Concerns about environmental damage caused by the mine have contributed to the tensions and conflict around the project. Most notably, the International Labor Organization and the Interamerican Commission on Human Rights called on the Guatemalan Government to suspend operations at the mine until the human rights concerns of local indigenous communities (including contamination of local water sources) could be addressed (International Labour Organization, 2010; Interamerican Commission on Human Rights, 2010).

Goldcorp, however, dismissed the Interamerican Commission’s call for a suspension of operations as based on allegations that were “entirely without merit” and stated that the company has “continued to operate Marlin to the highest standards, with an abiding commitment to the responsible stewardship of the environment and to the human rights of the people in communities near Marlin” (Goldcorp, 2010).

Throughout the period of conflict and controversy at the mine, Glamis and Goldcorp continued to publicly tout their commitments to CSR, including their commitments to international human rights and environmental standards. Goldcorp produces an annual “sustainability report” and accompanying glossy “CSR fact sheet” that describe the company’s CSR practices and benefits it provides to local communities without any acknowledgement of social or environmental problems (see Goldcorp, 2009). But a shareholder-requested independent human rights review of Marlin published in 2010 highlighted the apparent contradiction between Goldcorp’s public commitment to international CSR standards and its formal adoption of those standards into company policies:

...a pattern appears whereby [Goldcorp] “implements” international standards at the mine without formal adoption. This limits Board of Directors accountability and oversight, and avoids the requirements for external auditing that come with formal adoption of international standards. (On Common Ground, 2010, p. 214).

The Marlin project thus provides a clear example of strong public statements by an EI company in support of CSR (indeed the company devotes an entire section of its website to “corporate responsibility”) contrasted with on the ground problems and criticism from highly credible external bodies that seem to belie the stated commitment to CSR.

The Marlin project also illustrates several of the key reform areas described above. For example, it is fair to ask whether, if contributing to community development had been a rationale coequal with profitability for developing the project, the project would have moved forward at all given its location in a heavily indigenous post-conflict area. Developing the project in this area was almost guaranteed to cause conflict and community dissension, given the area’s history of violence. It is worth noting that the development rationale of the project was sharply questioned when the project was presented to IFC’s board for approval in 2004.

It is also clear that the company did not accurately portray the long-term costs of the project to local communities. For example, the company’s original EIA did not consider in a meaningful way long-term clean-up costs, which can run into the billions of dollars (E-Tech International, 2010, p. 72). Similarly, by not lining its waste impoundment facility with a synthetic liner, the company is also using an outmoded technology that would not be permitted in the US or other developed countries. Such a flagrant violation of basic industry best practice in environmental management again casts doubt on the company’s commitment to CSR.

Finally, various studies, including one by a socially responsible investment research service, have found that the company did not consult adequately with indigenous population before it began operations (Asociacion de Investigacion y Estudios Sociales, 2010; Sustainalytics, 2010). This is a particularly egregious violation of not only CSR best practice but also international law. The poor quality of the consultations with the affected communities undoubtedly has influenced the relationship between the company and communities ever since and would significantly undermine whatever other claims the company may make to upholding CSR principles at the project.

Ultimately, the Marlin case highlights not only the failures of the company involved to uphold CSR principles, but also that of the Guatemalan Government to hold the company accountable. The government has the ultimate responsibility for ensuring that the company respects human rights and environmental standards. In this sense, the experience at Marlin has been like that of many other large-scale extractive projects in developing countries in which governments simply lack the capacity, resources and at times political will to enforce these standards. Addressing these deficiencies in government oversight is a critical part of ensuring better social and environmental performance by companies—whatever their commitments to CSR may be.

Conclusion

The Guatemala case above provides examples of the “rhetoric vs. reality” contradictions around CSR that are all too common in the extractive industries sector. This is particularly true in developing countries, although it is also evident in developed countries, as BP’s recent disaster in the Gulf of Mexico amply demonstrated. The conflict and tension that the Marlin project has generated also help to demonstrate why it is important that these contradictions be reduced and that there be less disconnect between companies’ stated commitment to CSR and their actual performance. Doing so will be exceedingly difficult and will require a major rethinking of corporations’ business models.

But these kinds of changes are not impossible. There are examples, although few, in which extractive industries companies

do enjoy relatively harmonious relations with affected communities. One such case is the Tintaya mining project in Peru, in which the mining company committed itself to a truly participatory and respectful process of dialog to resolve long-standing community concerns (De Echave et al., 2005). This has contributed to the community's support for the project and relatively little conflict, unlike many other extractive projects in that country (Slack, 2009).

Systemic change is never easy. The extractive sector will be under intense pressure from investors, governments and other interested parties to continue business as usual. However, if these industries are to remain viable as they face increased public scrutiny in an era of growing natural resource scarcity, they will have no choice but to implement in a more rigorous and operational way their rhetorical commitment to CSR.

References

- Anaya, J., 2010. Presentation by James Anaya, United Nations Special Rapporteur on the Human Rights and Fundamental Freedoms of Indigenous Peoples. In: Review and Update of the Policy and Performance Standards on Social and Environmental Sustainability and Policy on Disclosure of Information: Indigenous Peoples Thematic Consultation Summary, Washington, DC Thursday, July 29, 2010. (online). Available at <[http://www.ific.org/ificext/policyreview.nsf/AttachmentsByTitle/Phase2_Summary_IndigenousPeoples/\\$FILE/IFCConsultationIndigenousPeoples.pdf](http://www.ific.org/ificext/policyreview.nsf/AttachmentsByTitle/Phase2_Summary_IndigenousPeoples/$FILE/IFCConsultationIndigenousPeoples.pdf)> (Accessed August 1, 2010.).
- Asociacion de Investigacion y Estudios Sociales, 2010. Estudio Costo Beneficio de la Mina Marlin en San Marcos, Guatemala (online). Available at <<http://www.asies.org.gt/mineria/Estudio%20Costo%20Beneficio%20Mina%20Marlin.pdf>> (Accessed August 15, 2010).
- Basu, Niladri and Howard Hu, 2010. Toxic metals and indigenous peoples near the marlin mine in western Guatemala: potential exposures and impacts on health. (online) Physicians for Human Rights. Available at <<http://physiciansforhumanrights.org/library/documents/reports/guatemala-toxic-metals.pdf>> (Accessed July 1, 2010).
- Bebbington, A., et al., 2008. Mining and the possibilities of development. *Development and Change* 39 (6), 887–914.
- Bush, R., 2009. Soon there will be no one left to take the corpses to the morgue: accumulation and abjection in Ghana's mining communities. *Resources Policy* 34 (1–2), 57–63.
- Business and Human Rights, 2010. Case profile: Drummon Lawsuit (re Colombia) [online] Available at <<http://www.business-humanrights.org/Categories/LawLawsuits/Lawsuitsregulatoryaction/LawsuitsSelectedcases/DrummondlawsuitreColombia>> (Accessed August 1, 2010.).
- Business for Social Responsibility, 2010. Mining. (online). Available at <<http://www.bsr.org/consulting/industry/mining.cfm>> (Accessed July 31, 2010).
- Comision de Esclarecimiento Historico, 1999. Guatemala: Memoria del Silencio. (online) Available at <<http://shr.aas.org/guatemala/ceh/mds/spanish/toc.html>> (Accessed August 1, 2010).
- Coumans, C., 2010. Alternative accountability mechanisms and mining: the problems of effective impunity, human rights and agency. *Canadian Journal of Development Studies* 30 (1–2), 27–48.
- De Echave, Jose Kathryn Keenan, et al., 2005. Dialogue and Management of Conflicts on Community Lands: the Case of Tintaya Mine In Peru. (online) Available at: www.cooperacion.org.pe (Accessed August 1, 2010).
- Dowling, Theodore, 2002. MMSD Working Paper No. 58: Avoiding new poverty: mining-induced displacement and resettlement. (online) International Institute for Environment and Development. Available at <<http://pubs.iied.org/G00549.html?a=T%20Downing>> (Accessed August 1, 2010).
- Equator Principles, 2010. The equator principles. (online) Available at <<http://www.equator-principles.com>> (Accessed, August 1, 2010).
- E-Tech International, 2010. Evaluation of actual and predicted water quality conditions at the Marlin Mine, Guatemala. (online) E-Tech International. Available at: <http://www.etechnational.org/082010guatemala/MarlinReport_Final_English.pdf> [Accessed August 15, 2010].
- Extractive Industries Review, 2003. Striking a better balance: the final report of the extractive industries review. (online). Available at <<http://commdev.org/content/document/detail/1955/>> (Accessed July 1, 2010).
- Extractive Industries Transparency Initiative, 2010. Extractive industries transparency initiative. (online). Available at <<http://www.eitransparency.org>> (Accessed August 1, 2010).
- Fuller, Amanda, Godoy, Angelina Snodgrass, Neff, Philip, 2008. Indigenous rights, resistance and the law: lessons from a Guatemala mine. *Latin American Politics and Society* 50 (4), 91–121.
- Goldcorp, 2010. Goldcorp reports action regarding Marlin mine. (online) Available at <http://www.goldcorp.com/news/goldcorp/index.php?&content_id=783> (Accessed August 15, 2010).
- Goldcorp, 2009. Creating sustainable prosperity: CSR factsheet 2009. (online) Available at <http://www.goldcorp.com/_resources/Goldcorp_CSR_Facts09.pdf> (Accessed August 15, 2010).
- Haarstad, H., Floysand, A., 2007. Globalization and the power of rescaled narratives: a case of opposition to mining in Tambogrande, Peru. *Political Geography* 26 (3), 289–308.
- Haufler, V., 2010. Disclosure as governance: the extractive industries transparency initiative and resource management in the developing world. *Global Environmental Politics* 10 (3) 53–+.
- Herz, Steven, Jon Sohn, and Antonio La Vina, 2007. Development Without Conflict: The Business Case for Community Consent. Washington, DC: World Resources Institute.
- Hilson, G., Maconachie, R., 2009. Good governance and the extractive industries in Sub-Saharan Africa. *Mineral Processing and Extractive Metallurgy Review* 30 (1), 52–100.
- Hilson, G., Yakovleva, N., 2007. Strained relations: a critical analysis of the mining conflict in Prestea, Ghana. *Political Geography* 26 (1), 98–119.
- Hilson, G., Yakovleva, N., Banchirigah, S.M., 2007. To move or not to move: reflections on the resettlement of artisanal miners in the western region of Ghana. *African Affairs* 106 (424), 413–436.
- Horowitz, L.S., 2010. Twenty years is yesterday: science, multinational mining and the political ecology of trust in New Caledonia. *Geoforum* 41 (4), 617–626.
- Human Rights Watch, 2005. The Curse of Gold: Democratic Republic of Congo. Human Rights Watch, Washington, DC.
- Idemudia, U., 2007. Community perceptions and expectations: reinventing the wheels of corporate social responsibility practices in the Nigerian oil industry. *Business and Society Review* 112 (3), 369–405.
- International Accountability Project, 2010. Unjust Displacement is a Global Crisis. Accessed at <<http://www.accountabilityproject.org/article.php?id=261&preview=1&cache=0>>.
- International Finance Corporation, 2006. Performance Standard 5: Land Acquisition and Involuntary Resettlement. Accessed at <[http://www.ific.org/ificext/sustainability.nsf/AttachmentsByTitle/pol_PerformanceStandards2006_PS5/\\$FILE/PS_5_LandAcqInvolResettlement.pdf](http://www.ific.org/ificext/sustainability.nsf/AttachmentsByTitle/pol_PerformanceStandards2006_PS5/$FILE/PS_5_LandAcqInvolResettlement.pdf)>.
- International Labour Organization, 2010. Report of the committee of experts on the application of conventions and recommendations. (online) Available at: <http://www.ilo.org/wcmsp5/groups/public/-ed_norm/-relconf/documents/meetingdocument/wcms_123424.pdf> (Accessed August 15, 2010).
- Interamerican Commission on Human Rights, 2010. PM 260-07—Communities of the Maya People (Sipakense and Mam) of the Sipacapa and San Miguel Ixtahuacán Municipalities in the Department of San Marcos, Guatemala. (online) Available at <<http://www.cidh.oas.org/medidas/2010.eng.htm>> (Accessed August 15, 2010).
- Kostad, I., Wiig, A., 2009. Is transparency the key to reducing corruption in resource-rich countries? *World Development* 37 (3), 521–532.
- Kuipers, James and Ann Maest, 2006. Comparison of predicted and actual water quality at hardrock mines: The reliability of predictions in environmental impact statement. (online) Kuipers and Associates and Buka Environmental. Available at <<http://www.earthworksaction.org/pubs/ComparisonsReportFinal.pdf>> ; (Accessed September 1, 2010).
- Moran, Robert, 2004. A tarnished legacy: a social and environmental analysis of Mali's syama goldmine. (online) Oxfam America. Available at: <<http://www.oxfamamerica.org/publications/tarnished-legacy-a-social-and-environmental-analysis-of-malis-syama-goldmine>>. (Accessed September 1, 2010).
- Newmont Mining Corporation, 2010. Newmont's commitment. (online) Available at www.newmont.com/sustainability. (Accessed August 1, 2010).
- Obi, C.I., 2010. Oil extraction, dispossession, resistance and conflict in Nigeria's oil-rich Niger Delta. *Canadian Journal of Development Studies-Revue Canadienne D'etudes du Developpement* 30 (1–2), 219–236.
- Omeje, K., 2005. Oil conflict in Nigeria: contending issues and perspectives of the local Niger delta people. *New Political Economy* 10 (3), 321–334.
- On Common Ground Consultants, Inc, 2010. Human rights assessment of goldcorp's Marlin mine. (online) On common ground consultants, Inc. Available at <<http://www.hria-guatemala.com/en/MarlinHumanRights.htm>>. (Accessed July 1, 2010).
- Oxfam America and Earthworks, 2004. Dirty metals: mining, communities and the environment. (online) Available at <http://www.nodirtygold.org/dirty_metals_report.cfm> (Accessed July 1, 2010).
- Salazar Tirado, Carlos and Bill Powers, 2006. Evaluation of Camisea project piping failures and long-term solution. (online) E-Tech International. Available at <http://www.etechnational.org/02-27-06%20E-Tech%20report_camisea_pipeline_failures.pdf>. (Accessed September 1, 2010).
- Slack, Keith, 2009. Peru's mining conflicts: condition critical. (online) Oxfam America. Available at: <<http://www.oxfamamerica.org/publications/mining-conflicts-in-peru-condition-critical/>> (Accessed July 15, 2010).
- Smith, Gare and Daniel Feldman, 2009. Community relationships review: global summary report. (online) Foley Hoag. Available at <<http://www.beyondtheminemine.com/2009/pdf/CRRGlobalSummaryFULL-EnglishFINAL.pdf>> (Accessed August 15, 2010).
- Sustainability, 2010. Jantzi research recommends goldcorp as ineligible for SRI portfolios. (online) Available at <<http://www.jantziresearch.com/jantzi-research-recommends-goldcorp-ineligible-sri-portfolios>> (Accessed August 15, 2010).
- Szablowski, D., 2002. Mining, displacement and the World Bank: a case analysis of compania minera antamina's operations in Peru. *Journal of Business Ethics* 39 (3), 247–273.
- Vogt, D., 2004. Letter from Director, Asociacion Estorena para el Desarrollo Integral, to Executive Directors of the World Bank Group, June 1, 2004. On file with author.
- Voluntary Principles on Security and Human Rights, 2010. The Voluntary Principles on Security and Human Rights. (online). Available at <<http://www.voluntaryprinciples.org>> (Accessed August 1, 2010).