**DISSERTATION-BASED WORKING PAPER:**

**A MEDIA ANALYSIS OF MINING-COMMUNITY CONFLICT AND**

**INVESTIGATION INTO THE VALUE PROPOSITION OF SOCIAL RESPONSIBILITY**

From transportation to infrastructure, from energy to information technology, mining makes a tremendous contribution to society. It also impacts the daily lives of millions of people living in regions where mining occurs. Over the years, mining companies have become adept at managing the triumvirate of traditional risk (legal, financial and operating), building expertise to mitigate threats to project production schedules and budgets, and to position shareholders to profit from their investment. But the ability to manage social risk, interpreted in this research as the risk to operations from interaction with, and the actions of, communities that host mining and which may be characterized as the moral evaluation of corporate behaviour, has proven to be more difficult.

For many years, the public had little say on how mining projects were developed, however, in recent years this has changed with an increasing number of individuals, groups, and organizations having earned a legitimate right to be considered as stakeholders in projects which affect their communities. This transition has the potential to generate mining company-community conflict with a failure to earn stakeholder approval now recognized as one of the leading causes of project delays and a key strategic risk.

Although a growing number of mining companies endorse corporate social responsibility (CSR) endorsing policies and procedures to support socially responsible performance, incidents of mining-community conflict appear to be increasing. Research by the International Council of Mining and Metals (ICMM), based upon an analysis of advocacy group websites, suggests there were fewer than 10 mining-community conflicts in 2002 and more than 80 a decade later in 2012. The ICMM data raises questions about how “conflict” is defined and about whether conflict has continued to grow in the years since 2012.

This research analyses international media coverage (a source not previously quantified) captured by FACTIVA[[1]](#footnote-1) between 2012 - 2015 –-- to investigate four questions: Are incidents of serious social risk/mining community conflict increasing? In which countries are mining-community conflicts occurring? How many companies are involved? And, what are the main drivers of company-community conflict? The research period coincides with a tumultuous time in the global mining sector with fluctuating commodity prices, increasing labour and capital costs, and with a period of financial constraint in the global mining sector, when revenue was down, exploration investment was reduced, and new discoveries sharply declined. To differentiate between all instances of company-community disagreement and more serious situations, media articles were screened using a protocol that took guidance from a scale in conflict literature developed by Joshua Goldstein, whose interest in aggregating events by some means other than using verb categories to count the number of conflict incidents led him to design a set of weights for use in events data research.

The analysis of social risk suggests company-community conflict increased significantly in 2015 and is occurring in situations where companies are compliant with regulatory and legal requirements and in countries not considered as high risk jurisdictions by financial institutions or lending agencies. While there is evidence that mining companies are increasingly recognizing the importance of corporate social responsibility, good intentions on the part of business appear not to be sufficient to reduce mining community conflict. The media analysis raises questions about the current approaches to CSR and suggests the complexity of conflict and seriousness of repercussions necessitates a comprehensive, multidisciplinary and integrated approach. The proposition, introduced here and explored further in this PhD research, is that CSR needs to be reframed to address the interdependence of mining and community, breaking the current tension between the two and creating programs with parallel goals: the development of a profitable business strategy which creates value by delivering tangible social benefits.

1. The news database owned by Dow Jones, which aggregates content from more than 30,000 publications and newswire [↑](#footnote-ref-1)