



How does the local context shape Corporate Social Responsibility in Mining? The case of Vale

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Introduction

- The global mining industry and corporate social responsibility (CSR) (Jenkins 2004, Kapelus 2002, Kemp 2010.....)
- CSR and local development initiatives (Kapelus 2002)
- CSR impacts and limits (Jenkins 2004)
- Corporate governance, CSR practices and the policy, social and institutional settings in host countries (Chapple and Moon 2005, Gutierrez and Jones 2004, Capron 2011)



Research question and hypothesis

- How do local and institutional contexts shape CSR strategies and impacts of a mining company

Hypothesis:

- The local capabilities of organization and negotiation lead to more involvement of local communities and institutions in CSR design and implementation ;
- High involvement and protection of local livelihoods;



Methodology

- Once case study : Vale S.A.
- Three local contexts : Green Municipality (Eastern Amazon, Brazilian Amazon), Goro Mine (New Caledonia), coal mining and population resettlement in Moatize (Mozambique)
- Secondary data collection and building a “partnership” with Vale in each context
- Primary data collection through semi opened interviews of local population and institutions affected by or involved in Vale CSR activities



Results : Adaptation to local contexts

- Huge investment in socio-environmental initiatives (between U\$ 1 and 1,5 billion annually (65 % compulsory, depending on local contexts))
- Existing guidelines to define CSR practices
 - Diagnostic (subcontracted)/Consulting local stakeholders/Interviews – visits/Defining the PAS in each locality
- But weak transparency and no monitoring yet (at least in our case studies)
- CSR activities are always adapted to the local social and institutional context

Case study	Elaboration	Result
Green Municipality Initiative (Eastern Brazilian Amazon)	Devolution to local institutions Preference for well positioned institutions and NGOs with technical and financial capabilities	Pilot project with cattle ranchers to implement BP Financing NGOs to reinforce some public regulations (Rural Environmental Registry, deforestation monitoring systems)
Goro Mine (New Caledonia)	Under high local pressure (Réébùù Nùù) and involvement of transnational NGOs	Sustainable development Pact (30 years) Foundation to support local development project jointly managed by local community leaders and Vale Independent committee monitoring environmental impacts of mining activities
Resettlement in Moatize (Mozambique)	No legal framework Local consultation Devolution to public institutions for final strategic choices	Classic resettlement and problems General improvement Legal framework created Mediation of public institutions

Local capabilities

State intervention



Results : high involvement and impacts

- Mozambique :
 - Risks of CSR as a substitute of inefficient public institutions
 - Benefits sharing limited by low education levels and poverty levels
- Goro Mine :
 - Persisting environmental accident threatening the Pact
 - Local population not trained to such high technology monitoring
- Green Municipality:
 - Few proposals for or from less well positioned stakeholders
 - More ambitious or inclusive projects completely « at the mercy » of local institutions



Conclusion - Discussion

- Despite positive results, adaptation to local contexts and large amount of money, the capacity of a private firm to deliver sustainable development through CSR face various constraints;
- The complete devolution of socio-environmental development initiatives to local institutions without monitoring remains questionable.



Thank you !



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