

# *The Perils of Corporate Social Responsibility: Conflict and Resistance in the Extractive Industries*



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# *Niyamgiri, India*









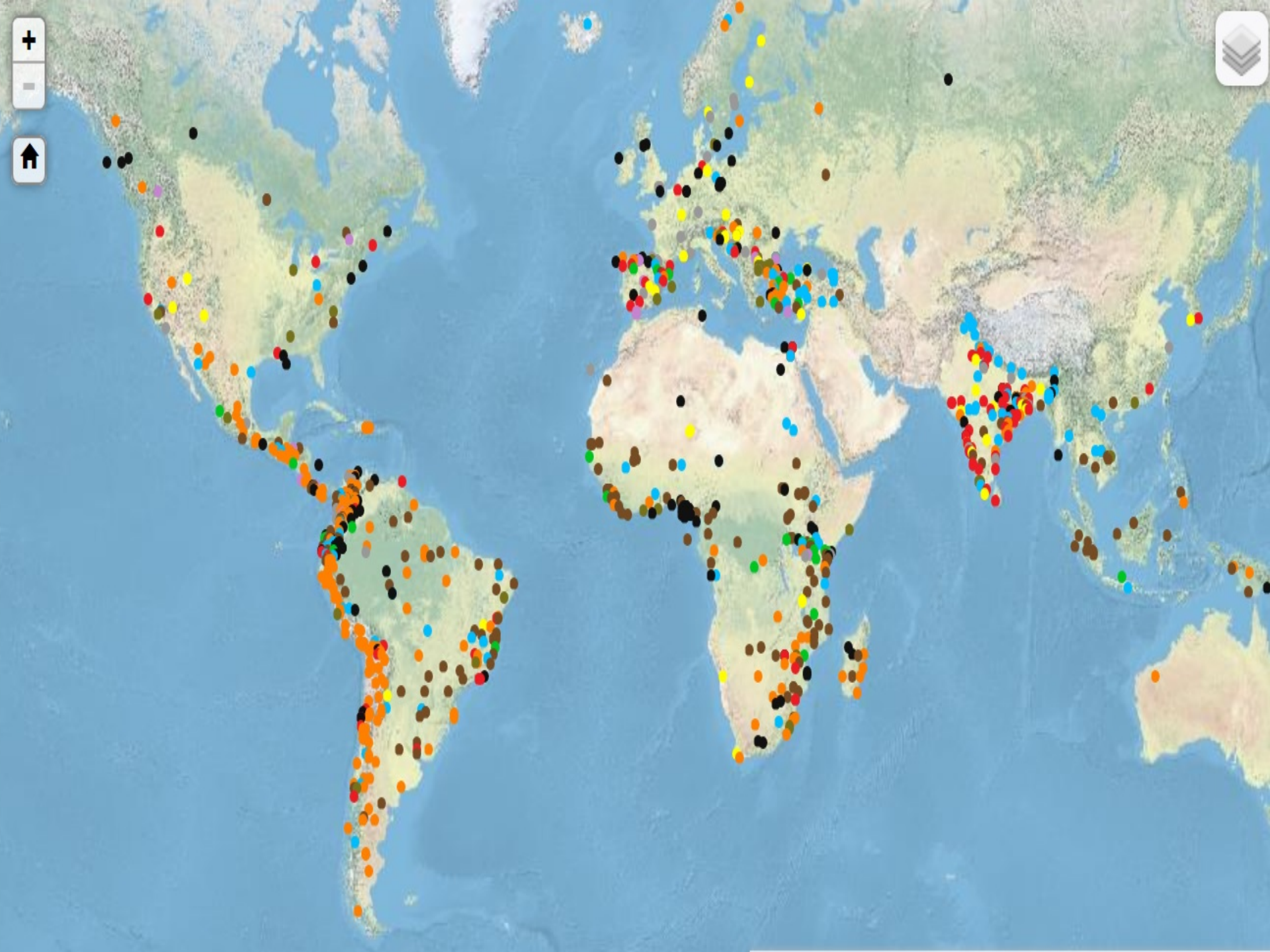






# *Environmental Conflicts*

- Angola, Argentina, Bangladesh, Brazil, Cambodia, Cameroon, Chile, China, Colombia, Costa Rica, Côte d'Ivoire, Democratic Republic of Congo, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Gabon, Ghana, Guatemala, Honduras, India, Indonesia, Jamaica, Kenya, Laos, Liberia, Madagascar, Malawi, Mali, Malaysia, Mexico, Mozambique, Myanmar, Nepal, Nicaragua, Niger, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Senegal, Sierra Leone, South Africa, Sudan, Tanzania, Thailand, Tibet, Trinidad & Tobago, Tunisia, Turkey, Uganda, Uruguay, Venezuela, Vietnam, Zambia, Zimbabwe.





# *Indigenous Rights*

- ‘The business model that still prevails in most places for the extraction of natural resources within indigenous territories is *not one that is fully conducive to the fulfillment of indigenous peoples’ rights, particularly their self determination, proprietary and cultural rights* in relation to the affected lands and resources’.
- ‘Many corporations still do not commit to more than complying with national law and *fail to independently conduct the relevant human rights due diligence...* there are significant imbalances of power between Indigenous peoples and mining companies and there is little systematic attention by States or industry actors to address these power imbalances’ (UNHRC, 2013)

# *Multi-Stakeholder Initiatives (MSI)*



- EITI: Extractives Industries Transparency Initiative
- IPIECA: International Petroleum Industry Environmental Conservation Association.
- ICMM: International Council on Mining and Metals
- United Nations Global Compact
- Market-state joint ventures



Company Name	Number of on going conflicts	Countries involved
Royal Dutch Shell^+ and Shell Petroleum Development Company	66	Algeria, Brazil, Canada, Ecuador, Nigeria*, Tunisia
Chevron Corporation^	22	Angola, Cameroon*, Canada, Chad*, Ecuador, Kazakhstan*
Rio Tinto^+	19	Brazil, Chile, Colombia**, Indonesia, Malaysia, Mozambique*, Paraguay
Vale^+	19	Brazil, Mozambique*, Peru*, Philippines**
Anglo Gold Ashanti^+	15	Colombia**
Exxon Mobil Corporation^	14	Angola, Cameroon*, Canada, Chad*, Guinea*, Kazakhstan*, Nigeria*, Papua New Guinea**,
BHP Billiton^+	13	Botswana, Brazil, Chile, Colombia**, Peru, Philippines**
Barrick Gold Corporation^+	12	Argentina, Chile, Peru, Philippines**, Tanzania*,
Glencore^+	10	Argentina, Colombia**, Democratic Republic of Congo*, Peru, Philippines, South Africa
Anglo American^+	9	Chile, Colombia**, Peru

Company	Sector	2018 Revenue (\$billions)	2018 Net Profit (\$billions)	Global Compact Signatory	EITI Signatory	Involved in Community Conflict
Sinopec	Oil/Gas	406.78	9.2	Yes	No	Yes
Royal Dutch Shell	Oil/Gas	391.10	21.4	Yes	Yes	Yes
China National Petroleum	Oil/Gas	326.08	7.8	No (but main subsidiary, Petrochina, is).	No	Yes
BP	Oil/Gas	302.00	12.7	Yes	Yes	Yes
Exxon Mobil	Oil/Gas	290.20	20.8	No	Yes	Yes
Glencore/Xstrata	Mining	220.14	3.4	Yes	Yes	Yes
Total	Oil/Gas	209.40	13.6	Yes	Yes	Yes
Chevron	Oil/Gas	163.78	14.8	No	Yes	Yes
Petrobras	Oil/Gas	93.86	6.1	Yes	Yes	Yes
ENI	Oil/Gas	74.77	12.6	Yes	Yes	Yes
China MinMetals	Mining	73.57	1.9	Yes	No	Yes
Chinalco	Mining	48.40	0.6	Yes	No	Yes
BHP Billiton	Mining	43.60	8.9	Yes	Yes	Yes
Shenhua Group	Mining	38.25	6.4	No	No	Yes
Vale	Mining	36.18	3.6	Yes	Yes	Yes



## *(A)political CSR?*

- Political CSR as ‘those responsible business activities that turn corporations into political actors, by engaging in public deliberations, collective decisions, and the provision of public goods or the restriction of public bads in cases where public authorities are unable or unwilling to fulfill this role’ (Scherer et al., 2016: 276)
- Politics defined as ‘public deliberations, collective decisions and the provision of public goods’
- CSR as an ideological movement designed to legitimize and consolidate the power of MNCs. It is an exercise of power in the economy that establishes and sustains normative criteria for corporate legitimacy

# *Deliberative CSR*

- Political CSR as a source of ‘moral legitimacy’ for firms arising from deliberative communicative processes aimed at generating consensus.
- ‘Every consensus exists as a temporary result of a provisional hegemony, as a stabilization of power, and always entails some form of exclusion. The idea that power could be dissolved through a rational debate and that legitimacy could be based on pure rationality are illusions, which can endanger democratic institutions’ (Mouffe, 1999: 756).





**DEMONSTRATION  
ON PROTEST OF THE PROPOSED MINING  
IN NIYAMGIRI HILLS**

Dt. 25.07.2009, Lanjigarh, Kalahandi

ORGANIZED BY: G. K. KALAHANDI  
NIYAMGIRI, KONAR



# *The Sacred and the Sovereign*

- ‘We believe our strategy and business objectives will harness India's high-quality wealth of mineral resources at low costs of development, positioning it as a leader on the global metals and mining map’ (Anil Agarwal, Chairman, Vedanta Resources)
- ‘Without Niyamgiri we cannot think of life. If we lose the mountain we will end up in great trouble. We’ll lose our soul. Niyamgiri is our soul. If Niyamgiri goes our soul will die’ (Jitu Jakaka, Tribal elder, Kondha Tribe , Orissa).
- Contrary to the premise of the global economic paradigm there can be no universal metric for comparing and exchanging the real values of nature among different groups of people from different cultures, and with vastly different degrees of political and economic power.

# *Free, Prior and Informed Consent*

- ‘...Consultation in good faith with the indigenous peoples concerned through their *own representative institutions* in order to obtain their *free and informed consent prior to the approval of any project* affecting their lands or territories and other resources, *particularly in connection with the development, utilization or exploitation of mineral, water or other resources* (UN Declaration of the Rights of Indigenous Peoples, Article 32).
- ‘Free, prior, and informed consultation with the affected Indigenous Peoples’ communities refers to a culturally appropriate and collective decision making process subsequent to meaningful and good faith consultation and informed participation regarding the preparation and implementation of the project. *It does not constitute a veto right for individuals or groups*’ (World Bank, 2013)

# *Free, Prior and Informed Consent*



- ‘The United States *recognizes the significance* of the Declaration’s provisions on free, prior and informed consent, which the United States *understands* to call for a process of meaningful consultation with tribal leaders, *but not necessarily the agreement of those leaders*, before the actions addressed in those consultations are taken (U.S. Department of State, 2010).











Stock Price Net Change

Stock	Price	Net Change
CVX	134.12	+63%
LUIS	4.24	-89%



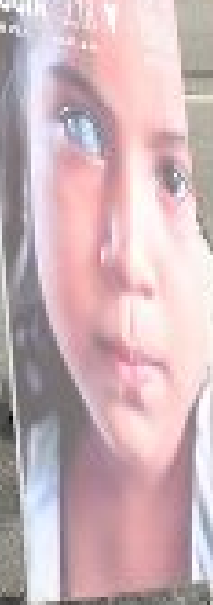
WHEN CHEVRON  
TURNS A PROFIT  
IN ECUADOR,  
WHO REALLY  
PAYS?



AMAZON WATCH

Stock Price Net Change

Stock	Price	Net Change
CVX	134.12	+63%
LUIS	4.24	-89%



CLEAN UP  
CHEVRON:  
TUBES,  
HOSES,  
& OIL DROPS



























# Resistance

- ‘How long will we *fight*? Until we *die*’.
- We will continue to *fight*, How many women they can put in jail?
- They’ve already *killed* a few leaders. But we are not scared. We will keep *fighting*.
- They can behead us if they want. But we will keep *fighting*. Even if we’ll have to *die*.
- We had a conversation about this. What if we lose the case? An elder stopped the discussion- she told us win or lose does not matter. We *fight* to the end.

# *Implications*

- The perils of political CSR and the disciplining of dissent
- Communal property rights.
- Rights of nature
- The role of the state – the schizophrenic state
- Translocal sovereignties: what forms of sovereignty are intelligible outside the nation-state form? Can we envision sovereignty an embodied practice of genuine co-existence rather than a concern for territory?

	<b>Transnational political CSR</b>	<b>Translocal Governance</b>
Normative goal	Consensus	Self-determination; coexistence; autonomy
Main political actor	State, civil society organizations and corporations	State, community councils
Authority	State, multi-stakeholder initiatives (MSIs)	State and community councils
Preferred economic outcomes	Compensation, royalties	Community driven partnerships, rights to livelihood
Preferred negotiating outcomes	Consensus	Consensus and dissent; veto rights over developmental projects
Sources of political rights & identity	Universal human rights, citizen of nation state, global civil society	Indigenous rights Ecological nationalisms
Source of legitimacy	Transactional: quality of communicative processes; voluntary standards	Indigenous ecology; livelihoods
Nature of representation	Represented by non-governmental organizations (NGOs) to information-gathering & rule-making bodies, as well as to media	Initiating partner of governance bodies, with full, direct participation.
Ideologies	Social inclusion	Social justice
Possible outcomes	Hegemonic accommodation	Disruption; dissent
Property rights	Liberal private property regimes; bundle of property rights	Communal property; bundle of relationships
Political networks	Hierarchical (with lateral features)	Lateral (with hierarchical features)
Temporality	Linear and progressive	Juxtaposed temporalities.



**‘There is no voiceless. There is only the deliberately silenced or the purposely unheard’**

**Arundhati Roy**

