Philippine Mining Companies' Understanding of Corporate Social Responsibility

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Abstract

This study looked at how mining companies operating in the Philippines socially represent corporate social responsibility using the lens of social representation theory. I used thematic analysis in examining nine articles taken from the websites of nine mining companies and published within the month of March, 2009. The study found shared representations of corporate social responsibility. The narratives focused on commitment to environment, communities, and employees as well as working hand in hand with various stakeholders. The findings point to the need to explore the social understanding of other mining stakeholders to capture a more comprehensive picture of corporate social responsibility as this study looked only at the mining companies' points of view. The results also show that social representations are located not only in people's everyday talk but also in their crafted work and writings as found in mass communication media.

Keywords: Social representation theory, Corporate social responsibility (CSR), Philippine mining companies, Thematic analysis, Stakeholder engagement

Introduction

Aventis Pharma Inc. and Zuellig Foundation have started their medicine donation programs, while HSBC's and Citibank's computer education programs on special children, and Angelo King Multipurpose Center projects are running smoothly. Unilever Philippines has committed itself to diversity in a working environment where there is mutual trust and respect among the rank and file, while Kraft Philippine's "Feed the Child, build a Nation", and "Operation Big Brother" programs, and Coca Cola's "Little Red School House" projects are right in place. All these are certified forms Of Social responsibility; they are examples of positive and heroic practices done by business companies to help contribute to a better society (Maximiano, 2003).

These positive practices are what is commonly known as corporate social responsibility (CSR) practices. CSR is a commitment to help improve community well-being through discretionary business practices and contributions of corporate resources (Kotler & Lee, 2005). As part of the work ethic of a corporation, it is both an investment and resource sharing. Investment because resources are invested

responsibly in projects which allow the company to do its obligations to the various communities it is related with, while at the same time Obtaining higher revenues from resource investment; and resource sharing because it allows those who have less access to the company resources (Maximiano, 2003).

The key areas of concern of CSRs are environmental protection and the wellbeing of employees, the community and civil society in general, both now and in the future (Panyarachun, 2003). Business companies do not only fulfill What is expected of them legally. but more than that, they go beyond comp19ance by investing in its constituencies Which are Its employees, stockholders, customers and consumers, suppliers. and community neighbors (Social responsibilities of business corporations, 1971). Through its voluntary commitment to CSR, a company does not just send e positive message to its various stakeholders, it makes also an investment to hap increase its profitability.

CSR had been around since the 1950s (Caron. 1993) but it was not yet the buzzword then. CSR initiatives only burst forth around the globe in the 1990s (Maximiano, 2003) because business could no longer rely on the government to carry the burden of social development, especially with the governments diminishing resources and the public's distrust Of its regulations: the increasing pressure from the stakeholders for business companies to be more transparent; and the growing pressure from the investors Who may assess a Company's performance based on the ethical concerns and social involvements Of companies (Maximiano, 2003; Social responsivities of business corporations, 1971). Employees also add to the pressure. Many Of them are increasingly looking beyond paychecks end benefits. They seek companies that do not just provide goad working conditions but also ones whose philosophies and operating practices match their Own social principles (McWilliams & 2001). A company that practices socially responsible business operations and commitment to its stakeholders is regarded as a good corporate citizen and will thus. enjoy a competitive advantage (Panyarachun. 2003).

CSR and the Mining Industry

The mining industry used to be unconcerned with the impacts of its activities, operating in areas without soda' legitimacy, causing herm. and then leaving when it has exhausted an area of its economically valuable resources (Jenkins & Obara, 2003). These days, mining companies are no longer exempt from the demands to conduct CSR In fact, large mining companies. especially in developing countries. are increasingly being compelled to take responsibility for the social and economic impacts they make in the communities where they operate (Parker, 2007), Many of these mining companies have lately contributed towards improved social development by providing jobs, paying taxes, building an industrial base, enhancing efficiency earning foreign exchange and transforming technology, There is a growing demand for mining 03rnpanies to be proactive and to go beyond acting within their legal obligations by developing their own models of environmental and social responsibility particularly in developing countries where the state is not strong. the stakeholders are not empowered and the regulations are weakly developed and enforced (Warhurst, 1998).

Mining companies' CSR agenda aim at justifying their presence and at recording their performance by disclosing social and environment information (Jenkins &Yakovleva, 2005).

Studies conducted on CSR among mining companies do not just enumerate What these have done on the communities that they relate with. Impacts of CSR activities on the mining sectors were also studied (Parker (2007), Other studies on CSR in the mining industry stress the role of mining companies in sustainable development (Hamann, 2003) as well as management (Imbun, 2006), There are also those studies that critically examine the mining companies' CSR practices (Hilson. 2007; Hamann & Kapelus. 2004) and their espoused commitment to CSR principles (Jones, Marshall, & Mitchell, 2007)

Social Representation Theory

I believe that it is important to study CSR in the industry as it is one social psychological phenomenon that Can be observed in modem societies these days. Empirical investigations had been done in the past on mining itself, on CSR, and on CSR among mining companies. However, few studies were done Cm social meaning that mining companies construct of CSR. This is what this study focused on. I used social representation theory because the theory provides a framework that helps one understand how a social object such as CSR can be collectively elaborated by a social group as the members communicate.

Social representation theory is a framework of concepts end ideas used to Study social psychological phenomena in today's societies. It is e theory of how groups create a reality together through their interaction and communication (Wagner, et al. 1999). It maintains that psychosocial phenomena and process can only be understood in their historical, cultural, and macro social contexts (Wagner, et al., 1999).

Social representations are a group's social understanding of an object (Jodelet, 2006), created by individuals their everyday talk and action (Wagner, et al., 1999). They may be hegemonic, polemical, and emancipated (Moscovici,1988). Hegemonic representations are shared representations or representations about an Object that are agreed by the members of a group. Polemical representations are antagonistic representations that are usually generated in the course of social disagreement, they are not shared by the whole society. Emancipated representations are varying representations that complement one another. As the theory takas a discursive approach, it focuses on talk and text where social phenomena are created and produced.

Public Statements Social Representations

Representations are articulated but at the same time are obscured within the workings of modes and mediums (Bauer & Gaskell, 1999). One of modes of social representation is formal communication Which may take the mediums of words or visual images such as the ones in the mass communication media, Representations, as part of the culture, are in the media and in the minds of the people (Farr, 1995. as cited in pop. 2008). Thus, studies on representations may be done in both milieus. Some researchers promote the investigation and incorporation of media contents to the study

of social representations (Bauer & Gaskell, 1999).

Social representations do not deal only with people in flesh and blood, but also allow understanding of their created work that accord them objective shape (Moscovici. 1968). One rich source of information is the internet for posting information on the world Wide web is a convenient way to link together various ideas (Moscovici, 1997) and it would be interesting to "study precisely how common sense. the language exchanged. groups themselves are shaped in this cyber communication" (32).

Methods

Following the discursive approach advocated by Social Representation Theory, this qualitative study looked at published articles found in the websites of mining companies. It tried to capture the social phenomenon; corporate social responsibility as produced in the texts of the companies who are in the business of extracting minerals from the earth.

Sample

The data were nine articles from the websites of nine mining companies operating in the Philippines. These companies were both foreign-owned and Filipino-owned. The articles were purposively selected. They all came from websites of companies that Mines and Geosciences Bureau (MGB) declared as having been given clearance to operate (exploration or extraction) by virtue of the Mineral Production Sharing Agreement (MPSA) and Exploration Permits (EP) issued to them by this government agency responsible for the conservation, management, development, and proper use of the country's environment and natural resources. The nine articles were all taken from the CSR section of the companies' website. These articles were all published within the month of March, 2009.

These mining companies were Atlas Consolidated Mining and Development Corporation (www.atlasphilippines.com), Indophil Resources (www.indophil.com), Intex Resources(www.intexresources.com), Mindoro Resources Ltd. (www.mindoro.com), OceanaGold Corporation (www.oceanagold.com), SEMCO Exploration and Mining Corporation (www.semcominerals. com), Sagittarius Mines, Inc (www.smi.com. Ph), SR Metals(www.srmetalsinc.com), and

TVI Pacific, Inc (www.tviphilippines.com). These companies were the only ones that have websites among the thirty-seven mining companies given MPSA or EP by the MGB. l, thus, included all the nine articles from the nine companies in my data.

Procedure and Data Analysis

Having already identified the mining companies and the different websites to be visited, articles were chosen and were downloaded from the internet and then saved. I analyzed the data using thematic analysis. Following Spencer, Ritchie, and O'Connor (2003), I first coded the data, then generated themes, and then classified the themes. I ended up with detecting patterns among themes.

Results

Findings of the study showed no contested or polemical social representations Of CSR among mining companies operating in the Philippines. All of them agree on the social meanings they construct about CSR. I found two hegemonic or shared representations of CSR — one centers on commitment and the other centers on partnership.

Commitment here refers to the promise and acknowledged obligations of the mining companies to the environment, to the community, and to its employees. Partnership, on the other hand, refers to the narratives of how the different mining companies have worked together with the different stakeholders so as to achieve their goal of contributing to a better society

The storyline on commitment to the environment is about coming up with programs and policies as well as implementing these programs and policies so as to protect and preserve the environment. These protective measures are classified into four: prevention, mitigation, rehabilitation, and monitoring. Preventive practices are those systems that are proactively defensive such as establishment of riprap and contour planting using local nitrogen fixing plants to prevent soil erosion and river siltation. Mitigating practices are those systems that moderates or assuages the impacts of mining activities on the environment such as installation of water lines along major haulage roads to minimize dust generation and program that lessens the damage caused by flood. Rehabilitation means the restoration of the natural resources. This is mostly done through reforestation, breeding of insects indigenous to the area, and putting up of nurseries that will propagate flora for eventual out-planting in mined-out areas. Continuous maintenance and protection of the rehabilitated site are also carried out to ensure successful rehabilitation. Monitoring means keeping watch of the implementation of programs as well as looking into other details such as keeping an eye on the water quality of the community as well as monitoring meteorological conditions. Mining companies also said that part of their commitment to the environment is their strict implementation of environmental laws in their mining sites and operations.

Commitment to the community means providing for the needs of the community — education, facilities, infrastructures, health, as well as livelihood. Mining companies claimed they provide for the education of the community members — from toddlers to the adults- Day care centers were established, funds were appropriated for the scholarship grants of elementary, high school, and College students, financial assistance for salaries of teachers in the host communities, and trainings and seminars for the adults such as skills livelihood trainings, financial literacy training and small business development and management trainings. Education here also means providing information to the host community for them to better understand mining — its methods, process and end use of the mineral or effects of mining on the environment

as it relates to agriculture healthy living, and even health awareness,

Mining companies also talked about the different facilities and infrastructures that they have built for the communities such as providing for medical, electrical, water, and housing facilities as well as constructed school buildings, churches, roads, solar driers, and repair of buildings and roads also. Commitment to health and safety refers to those practices that look after the medical and dental health of the people in the community as well as their employees. There was also the installation of safe drinking water and improved sanitary systems. Companies also made sure that the mine sites provide a safe working environment for their employees The employees were considered as the most valuable asset of the companies.

Commitment to the community also means helping provide programs that will help improve the way of life of the people, especially economically. Thus, mining companies lined up community development programs and activities aimed at poverty alleviation and at developing sustainable communities. Some of these programs were skills development, capacity building, and even literacy programs. Companies said they want to empower their host barangays and make them self-reliant, healthy, and enjoy a well-balanced and improved quality of life.

The partnership storyline focuses on how the mining companies have worked hand in hand with different stakeholders including community members and the government in their effort to achieve their goal. For instance, mining companies say there are consultations and meetings conducted with the stakeholders every now and then. These activities were done in order to consult the various parties concerned, to dialogue with them, and to show transparency to the stakeholders.

Other CSR activities and programs were also done, mining companies claim, in cooperation with these stakeholders. This means that the companies try to establish a close relationship with them. Companies also say that they are being supported and accepted by their host communities as evidenced by the people's full participation in the programs of the companies.

Discussion

The social representations of CSR among mining companies operating in the Philippines can be described' as hegemonic or shared. They revolve around mining companies' commitment to the community as well as their partnership with other stakeholders. These shared representations reflect the homogeneity of what is in the minds (Moscovici, 1988) of these companies. As there was no polemical or antagonistic representation of CSR, the "diversity of voices" (Wagner, et al., 1999) of the different companies cannot be heard.

The results of the study confirm that concerns of CSR these days focus not

just on environmental protection but also on the well-being of the community as well as the employees, both now and the future (Panyarachun, 2003). Mining Companies, in their websites, were singing halleluiah to what they have done to their stakeholders and their employees. They can actually do this because they have the means to pay for such medium of communication. Haman and Kapelus (2004) mentioned that there are important gaps between the activities of the mining companies and accountability and fairness. The results here are the social representations of the mining companies.

I suggest that future studies be done on understanding CSR from the points of view of the stakeholders and then compare these vis-a-vis the results of this study so as to see if there are gaps in between; or if there are polemical representations this time. If there are, companies might need to engage in a more sincere method of doing CSR.

In partnering with the different Stakeholders: the mining companies are sending positive message that they are willing and able to work hand in hand with other sectors of the community to help build a better society. They are trying to say that CSR is real and substantive and deserve to be taken seriously.

The results also show that indeed representations cannot only be found when groups of people literally talk, but they are also hidden within the medium of words in mass communication media (Bauer & Gaskell, 1999) such as the internet. As Moscovici (1988) had stated, social representations also allow understanding of people's crafted work, literature, movies, art and institution that render them objective shape.

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