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Synthesis:

The *Both Sides Now* project had two major components. Component #1, as outlined in the original *Both Sides Now* proposal, focused on corporate social responsibility (CSR) in the mining sector of Latin America. Component #2, which arose subsequently as an extension of the mining CSR project, focused on creating avenues of exchange and learning opportunities between socially responsible enterprises in Cuba and Latin America. In this Final Report, the overall project is referred to as *Both Sides Now*, while component #1 is referred to as the *Mining CSR* project, and component #2 is referred to as the *Cuba/ETHOS* project

The mining CSR project was developed with the central goal of forming a network of individuals with the skills, competencies and commitment to explore emerging dynamics of CSR in the extractive industries of Latin America. In the first phase of the project, we organized and held a workshop at Royal Roads University, Victoria, BC in October 2009, at which a total of 20 researchers from across Canada and Latin America presented 18 research papers. These papers focused on case studies and analyses of the dynamics of mining and CSR. They covered a broad range of geographic areas and key actors involved in the extractive industries of Latin America. Over the two days of the workshop researchers engaged in detailed discussions about the issues, making important interdisciplinary connections that informed the second phase of the project.

In the second phase of the mining CSR project, selected papers (along with several new papers from researchers who had not attended the October 2009 workshop but whose work falls within the research parameters defined through discussions at the workshop) were revised and resubmitted as chapters of an edited volume entitled *Governance Ecosystems: CSR in the Latin American Mining Sector*, published by Palgrave Macmillan in October 2011. Authors contributing to this volume come from the North and the South, and from a variety of root disciplines including business, environmental law, mining engineering, political science, and international development studies..

The set of countries, companies and projects selected for both the 2009 workshop and the 2011 book were assembled with careful attention to the manner in which these operations provide prime examples of the dynamics under study. The case studies gathered addressed broad set of countries including Peru, Guatemala, Ecuador, Bolivia, the Caribbean and the Southern Cone, as well as a reflection on similar issues on the African continent.

The publication of research supported through IDRC funding in the *Governance Ecosystems* edited volume represents an important Canadian contribution to the complex emerging issues related to CSR and mining in the developing world, and in Latin America in particular. Further, this project funding has facilitated the creation of valuable collaborative relationships between researchers working on similar issues across disciplines.

The second component of the *Both Sides Now* project, the Cuba/ETHOS project, arose in April of 2009 as an extension of the *Both Sides Now* project. The Cuba/ETHOS project, entitled *Cuban Social Enterprises and Latin American Socially Responsible Investment and Business (SRIB): A Potent Mix for Local Economic Development?* was presented and subsequently managed by Dr. Julia Sagebien and Mr. Eric Leenson. The objective of this component was to establish a platform of

dialogue and information exchange between Cuban economists/ government planners and Latin American practitioners of socially responsible investment and business (SRIB) with the aim of fostering growth of the social enterprise sector of the Cuban economy.

The main activity of the project was the funding of a visit by six Cuban experts and one Canadian academic to the 2009 ETHOS Conference in Brazil. This project has spurred numerous follow up activities in Cuba, Brazil and Canada as detailed subsequently.

Mining CSR Project:

Research Problem:

The CSR practices of national and foreign companies in the extractive sector operating in Latin America have been chosen as the focus of the study because the way in which the extractives industry is handled by private, public and civil society actors at a time of high commodity prices and political polarization. These practices are having, and will continue to have, a profound impact on the future of the region and on the development opportunities seized or missed. In sum: 1) the sector has potential for high positive/negative social and environmental impacts; 2) there is a great deal of national and international NGO and labour union activism in the region; 3) company CSR policies are one form of response to this activism and a crucial component of the “license to operate”; 4) extractives is a key Canadian industry sector; 5) the Canadian extractives industry, Canadian government and international banks have promoted and developed “best practice” CSR codes of conduct; 6) international IFIs, the Canadian Government and Crown corporations have shown a keen interest in supporting CSR initiatives this sector; 6) Canadian extractives companies are well represented in the region; 7) Latin America has regained its importance to the Government of Canada; and 8) given the current high prices for commodities, the extractives sector represents a priority sector for the economic prospects of Latin American countries.

The studies undertaken as a part of this project involved multidisciplinary analysis of the ways in which national government legislation, public-private governance gaps, IFI/credit agency guidelines, governance, indigenous, social and environmental issues, labour movements, etc. affect the behavior of the extractives sector companies and their CSR policies in the region.

Research Findings:

Insights from the researchers gathered at the Mining and CSR in Latin America workshop held at Royal Roads University, October 23-25, 2009, indicated that much work remains to be done in understanding the complex political economic environment of mining and CSR in the Latin American extractives sectors.

Researchers at the workshop presented on a wide range of topics related to what we term “the political economy of CSR in the extractives.” These topics ranged from international CSR norms and laws, corruption and conflict, industry association standards, mining executive perceptions and finance, to trends in socially responsible investment and corporate accountability. Papers presented included case studies representing a wide range of geographical areas, including Peru, Guatemala, Ecuador, Bolivia, the Caribbean and the Southern Cone. Overwhelmingly, papers

highlighted the need for further research to explore the complex political, social and economic dynamics of the extractives sectors of Latin America within a highly globalized context.

Research findings from the first phase of the project were developed and elaborated further in the edited volume, *Governance Ecosystems: CSR in the Latin American Mining Sector*. The primary focus of the book was an exploration of the idea of what we call a *social and environmental value governance ecosystem* (SEVGE) approach to understanding the complex, interdependent relationships between primary actors engaged in negotiations and/or conflict over resource development. Based on discussions from the workshop, we propose an alternative to firm-centric notions of CSR by arguing that the actions of corporations, governments and other actors focused on developing and promoting CSR must be understood within the context of the social, political and economic contexts that condition their meaning and impacts. In other words, far from being solely under the purview of corporations as is commonly understood, a broader, more critical and realistic view must take into account the ways in which CSR is shaped, understood and acted upon by a wide variety of actors with differing goals, strategies and resources for action. By taking a broader view of CSR as embedded within and acting upon SEVGE, we can develop more nuanced theories of how different actors involved in resource governance can best mobilize their resources and capabilities in the interests of *creating* and *conserving* social and environmental value. Likewise, a SEVGE view allows us to understand better why some CSR works in some contexts, and learn from both the successes and failures of specific cases. This approach has important policy implications for governments, industry and development agencies in determining more effective, inclusive and responsive designs for CSR in resource extractive projects.

Project Implementation and Management:

Dr. Julia Sagebien has been the primary investigator throughout the project. In mid-2009, Dr. Marketa Evans, one of the original co-investigators of this project, was appointed to the newly-created Department of Foreign Affairs “CSR Counselor” position. As a result, she was required to withdraw from the project, leaving Sagebien as the sole primary investigator.

Sagebien involved Nicole Lindsay, a doctoral student in the School of Communication at Simon Fraser University, and a former Associate Faculty in the Faculty of Management at Royal Roads University, to be the workshop coordinator and work with the Road Roads Office of Research in organizing and carrying out the workshop. Lindsay also wrote and presented a workshop paper, and worked closely with Sagebien to write and submit the successful book proposal, as well as taking the lead in editing and managing chapter submissions and ensuring the manuscript was submitted to the publisher in a timely manner.

Project Activities, Research Outputs and Dissemination:

A. Workshop

The Mining and CSR in Latin America workshop was held at Royal Roads University on October 23-25, 2009. The attached workshop agenda shows the full list of papers presented, the majority of which will appear in the edited collection described above.

The objectives of the workshop were to:

1. Formally meet other researchers in the project and establish relationships.
2. Present empirical case studies/papers and discuss findings in a peer-review setting.
3. Prepare a formal dissemination strategy.
4. Prepare an outline for the follow-up research, including groundwork for a larger research proposal.
5. Create a draft book outline that incorporate cases and papers.

Objectives 1, 2, 3 and 5 were accomplished, with objective 4 the topic of ongoing discussion that will continue informally beyond the close of the project.

See Appendix I for Workshop Agenda

B. Edited Book: *Governance Ecosystems: CSR in the Latin American Mining Sector*

This edited volume brings together selected papers and case studies originally commissioned for the 2009 workshop and adds several new chapters from researchers who did not attend the workshop. The book presents new, original findings based on current research, making a valuable contribution to ongoing academic and policy discussions about the relevance, impact and design of CSR programs and policies in the extractive sectors. Chapter titles are listed below.

- Introduction: Companies and the Company they Keep: CSR in a 'Social and Environmental Value Governance Ecosystems' Context; *J.Sagebien & N.M.Lindsay*
- Chapter 1: Systemic Causes, Systemic Solutions; *J.Sagebien & N.M.Lindsay* Sustainable Development Norms and CSR in the Global Mining Sector; *H.S.Dashwood*
- Chapter 2: CSR and the Law: Learning from the Experience of Canadian Mining Companies in Latin America; *K.Webb*
- Chapter 3: The Role of Governments in CSR Chapter 1: CSR in a 'Social and Environmental Value Governance Ecosystems' Context; *J.Boon*
- Chapter 4: Regulatory Frameworks, Issues of Legitimacy, Responsibility and Accountability: Reflections Drawn from the PERCAN Initiative; *B.Campbell, E.R.Grégoire & M.Laforce*
- Chapter 5: Conflict Diamonds: The Kimberley Process and the South American Challenge; *I. Smillie*
- Chapter 6: Whose Development? Mining, Local Resistance and Development Agendas; *C.Coumans*
- Chapter 7: Mining Industry Associations and CSR Discourse: Mapping the Terrain of Sustainable Development Strategies; *N.M.Lindsay*
- Chapter 8: Drivers of Conflict around Large Scale Mining Activity in Latin America: The Case of the Carajás Iron Ore Complex in the Brazilian Amazon; *A.C.Alvares da Silva, S.Costa & M.M.V eiga*
- Chapter 9: Community and Government Effects on Mining CSR in Bolivia: The Case of Apex and Empresa Huanuni; *R.Cameron*
- Chapter 10: Corporate Social Responsibility in the Extractive Industries: The Role of Finance; *A.Goss*
- Chapter 11: Responsible Investment Case Studies: Newmont and Goldcorp; *I.Sosa*
- Chapter 12: Anticorruption: A Realistic Strategy in Latin American Mining?; *C.Odell*
- Chapter 13: Sustainable Juruti Model: Pluralist Governance, Mining and Local Development in the Amazon Region; *F.Abdala*

- Chapter 14: Energy & CSR in Trinidad & Tobago in the Second Decade of 21st Century; *T.M.Shaw Mining Companies and Governance in Africa*; *R.Hamann, P.Kapelus & E.O'Keefe Conclusion*; *N.M.Lindsay & J.Sagebien*

C. Dissemination of Findings

Dissemination of the research findings will consist primarily of: 1) book announcements in mining, CSR, ethics, and sustainable development e-distribution lists (e.g., CBERN, NBS, Forum Empresa, Mining Watch, etc) ; 2) book launch events in Ottawa and Toronto; 3) promotional efforts by the publisher such as presentation of the book in major academic conferences (ISA, LASA), etc.) and; making sample copies of the book available at the 2012 Prospectors and Developers Association of Canada (PDAC) conference.

The December 7, 2011 Ottawa event (Boon, Smillie, Coumans, Campbell, Shaw, Sagebien) was held in conjunction with the University of Ottawa's Centre for International Policy Studies, and the December 8, 2011 Toronto event (Webb, Sosa, Goss, Dashwood, Sagebien) was co-sponsored by The Ryerson Institute for the Study of CSR in conjunction with the CSR Extractive Sector Counsellor. Each event brought together several authors to present on their research findings in a public forum and provided opportunities to hold discussions about CSR and mining in Latin America informed by the findings of this research project. It is our hope that these discussions feed into broader, ongoing discussions about the emerging issues under study.

Impact:

The workshop, edited book, dissemination events and ongoing informal discussions regarding the creation of a research network are all contributing to important field of research that has been historically under-researched. One of the strengths of this project is its interdisciplinary and international nature. Researchers involved in the project come from a wide range of disciplines, including law, political science, international studies, management, finance, investment, communication and policy. We have formed connections with researchers from Canada, Chile, Peru, Venezuela, the Caribbean, Cuba, and South Africa, and it is our hope that a research network emerges and develops to attract many more researchers from all over the world.

Recommendations:

The most powerful follow-up to this project would be to commission a series of additional case studies that test the theoretical validity and the useful application of the SEVGE model as a diagnostic and planning tool. The chapters in the book would initially inform the conception of the role of each of the actors in the ecosystem and of the mechanisms they use to enable or disable the creation of social and environmental value. For example, a series of representative mines and countries can be selected and an analysis of the 'governance ecosystem' in which they are embedded can be outlined. With this diagnostic analysis in hand, the researchers would invite key actors to participate in a multi-stakeholder effort to increase social and environmental value through the design of enabling dynamics and the reduction of disabling dynamics within the identified governance ecosystem. The primary collaborator would be a mining company interested in increasing its understanding of the limits and potentialities of CSR.

The Cuba/Ethos Project

The key component of the project was the funding of a visit by a delegation of 6 Cuban specialists to the 2010 ETHOS Conference in Brazil, one of the world's thought-leaders on CSR as a force for inclusive and sustainable economic development and social change. The Ministry of Foreign Trade and Commerce (MINCEX) and by the National Association of Cuban Economists and Accountants (ANEC) selected the six Cuban delegates:

- Raúl Roa - Ministerio de Comercio Exterior e Inversión Extranjera (MINCEX)
- Raciél Proenza - Ministerio de Comercio Exterior e Inversión Extranjera
- Martha Zaldívar - Asociación Nacional de Economistas Cubanos (ANEC)
- Lázaro Peña - Centro de Estudios de la Economía Internacional (CIEI)
- Juan Triana - Centro de Estudios de la Economía Cubana (CEEC)
- Camila Piñeiro - Centro de Estudios de la Economía Cubana

The Cuban delegation, along with 1200 individuals mostly from the Americas and Europe participated in an event that analyzed many of the most relevant aspects of socially responsible business and enterprise from hands on business, government and civil society perspectives. The Cuban delegation witnessed a genuine concern for social well being as a part of the DNA of enterprises in the capitalist world, and the conference attendees were exposed to Cuba's approach to "economía solidaria" (social economy).

Participation in the conference had a major impact on all of the delegates (Cuban, Canadian and US) and on the ETHOS conference participants with whom delegates had opportunity to interact. The experience opened up channels of dialogue and understanding on the ways in which Cuban policy and CSR and social enterprise practices share common ground. Delegates and attendees were able to forge a common language through which to address economic, social and environmental challenges. This provided the base on which to build a shared agenda and through which to envision possible future learning and exchange opportunities.

The collaborative opportunities that developed from the ETHOS conference prepared the ground for a subsequent IDRC-funded Cuba project entitled: *Responsible Enterprise, Local Development and Inclusive Economic Growth in Cuba: Entrepreneurial Capacity Building and Technology Transfer*. The objective of this second Cuba IDRC funded project was to further expose Cuban academics and government officials to a broad array of examples of socially responsible enterprises (SRE), and to foster productive exchanges between Cuban, Latin American and Canadian thought leaders in SRE. This project, managed through Dalhousie University, has resulted in multiple follow up activities and dissemination vehicles.

Appendix I

Mining and CSR in Latin America Workshop Schedule

Friday, October 23

Check in upon arrival – Millward Building residence

5:00-7:00 – Welcome reception – Hatley Castle Drawing Room

7:00-8:30 pm – Buffet dinner and welcome address (Dr. Julia Sagebien and Dr. Pedro Marquez) – Hatley Castle Dining Room

note: all panels in Hatley Castle Drawing Room and all meals in Hatley Castle Dining Room

Saturday, October 24

8:00-9:00 am – breakfast buffet

9:00-9:30 am – Opening Plenary – Dr. Julia Sagebien

9:30-10:45 Panel 1 – Moderated by Nicole Lindsay

- *Incorporating CSR within the ARPEL member companies* – Oscar Gonzales, Environmental Services Association of Alberta
- *Current Developments in CSR in Peru's mining sector* – Andrés Recalde, Latin America Caribbean Development Associates
- *The role of CSR in Development: A Case Study of Mining in South America* - Melissa Whellams, Senior CSR Advisor, Canadian Business for Social Responsibility

10:45-11:00 – coffee break

11:00-12:30 pm – Panel 2 – Moderated by Jessica Dillabough

- *Trinidad & Tobago as a Democratic, Developmental Island State...by 2020?* – Dr. Timothy Shaw, Director, Institute of International Relations, University of West Indies
- *Community and Government Effects on Mining CSR in Bolivia: The Case of Apex and Empresa Huanuni* – Rob Cameron, MA student, International Development Studies, St. Mary's University
- *Using Social Network Analysis to Visualize Socio-Political Risks and Barriers to Community Development* – Dr. Robert Boutilier, Associate, Centre for Sustainable Community Development, Simon Fraser University

12:30-1:30 – lunch

1:30-3:00 – Panel 3 – Moderated by Circe Niezen

- *Private Interests and Political Influence: The Realities and Perceptions of Corrupt Practices in Mining in Latin America* – Carol Odell, PhD Candidate, Norman B. Keevil Institute of Mining Engineering, UBC
- *Drivers of Conflict around Large Scale Mining Activity in Latin America: The Case of the Carajás Iron-ore Complex in the Brazilian Amazon* – Dr. Ana Carolina Alvares da Silva, University of British Columbia & Dr. Silvana Costa, Principal, S.Costa Consulting Services

3:00-3:30 – coffee break

3:30-5:00 – Panel 4 – Moderated by Peter Campbell

- *Global Norms, Corporate Social Responsibility, and Self-Regulation in the Canadian Mining Sector*- Dr. Hevina S. Dashwood, Associate Professor, Brock University
- *The State of CSR in Extractive Industries: the Executive's Point of View* - Yanina Kowszy, General Manager, Forum Empresa, Chile
- *Mining Industry Associations and CSR Discourse: Mapping the Terrain of Sustainable Development Strategies* - Nicole Lindsay, PhD student, Simon Fraser University

5:00-6:00 – discussion and break

6:00-7:00 – dinner

7:00-8:00 – documentary film and discussion

- *CSR, Governmentality and the Politics of Legitimacy in the Extractive Industries in Latin America* – Steven Schnoor, PhD Candidate, Communication & Culture, York/Ryerson Universities

Sunday, October 25

8:00-9:30 – breakfast

9:30-10:30 – Panel 5 – Moderated by Jessica Dillabough

- *An Overview of CSR and Financial Performance* – Dr. Allen Goss, Ted Rogers School of Management, Ryerson University
- *The Role of Socially Responsible Investors in Shaping CSR*– Irene Sosa, Senior Analyst, Jantzi-Sustainalytics

10:30-10:45 – coffee

10:45-12:30 – Panel 6 – Moderated by Nicole Lindsay

- *CSR and the Law: Learning from the Experience of Canadian Mining Companies in Latin America*- Dr. Kernaghan Webb, Associate Professor, Ryerson University
- *The 'New Corporate Accountability' in the Extractive Sector: a Research Agenda* – Patricia Ferreira, SJD candidate Faculty of Law, University of Toronto
- *On Systems and Governance Gaps: Some thoughts on mitigating the Tragedy of the Commons* – Dr. Sujit Sur, Assistant Professor, Dalhousie University

12:30-1:30 – lunch

1:30-3:00 – Roundtable Discussion 1

3:00-3:30 – Coffee

3:30-5:00 – Roundtable Discussion 2

5:00-7:00 – Closing dinner/remarks