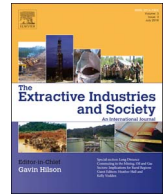




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The politics of extractive industry corporate practices: An anatomy of a company-community conflict in Bangladesh

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ABSTRACT

This article analyses a case of mining company-host community conflict in Bangladesh. It focuses on the corporate strategies of a British mining company. The company and its allies framed it as a landmark foreign investment project and a vital project for Bangladesh's energy security. Such a narrative fits a neoliberal policy agenda, i.e. privatizing resource extraction and creating a favorable environment for export-oriented foreign investment projects. A coalition of local, national, and transnational activist groups challenged this dominant policy agenda and the coal mine project was contested for more than a decade (2005–2015). Eventually, the project was shelved. Many existing studies on mining conflicts emphasize various exogenous factors, but this article draws attention to corporate practices. I argue the underlying factors in the death of the Phulbari coal project were rooted within the organizational culture of extractive industries, namely, the use of: 1) corporate science to misrepresent risks; 2) corporate communication strategies to take advantage of a crisis; 3) rhetoric to disregard the reality and glorify myths invented by the extractive industry. These factors resulted in the failure of the mining company to earn either a social or a legal license to operate in Bangladesh.

1. Introduction

Natural resources are the blood in the country's veins and the driving force of the economy. It is our moral duty to expose the conspiracies of the multinational companies. ... There is no material reason for the movement. The compulsion is spiritual; it is our social responsibility to rise up in protest [against any] plan to hand over the country's natural resources to multinational companies, compromising the interest of the people at large. (Islam, 2010: paragraph # 4, 9)

In the above passage, a leading activist explains the roots of popular struggles against multinational energy companies in Bangladesh. One is a fight with a British mining company planning to develop a large open pit coal mine in Phulbari, a densely populated agricultural area in the northwest region of the country. This case of company-community conflict is not unique. Similar conflicts are mentioned in the literature on the extractive industry and its relationship with host communities in the Global South (Horowitz and Watts, 2017; Deonandan and Dougherty, 2016; Bebbington, 2012; Bebbington and Bury, 2013; Jalbert et al., 2017). The literature notes that mining companies adopt various corporate practices to minimize conflict in the host communities, convince policy actors to advance their interests, and discredit their opponents (Horowitz, 2015; Rajak, 2011; Welker, 2014; Gardner,

2012; Kirsch, 2014). The objective of this article is to critically examine the corporate strategies of the mining company behind the Phulbari coal mine.

Company-community conflict in the Phulbari case has been studied by several scholars (Bedi, 2015; Chowdhury, 2016; Faruque, 2017b; Luthfa, 2015, 2017; Karim, 2016; Nuremowla, 2016). They have carefully documented various aspects of this conflict by tracing the response of local communities and state agencies, and the actions of an organized anti-mining movement led by a coalition of local communities and their allies. Some have focused on the role of transnational advocacy groups to support and strengthen the local campaign against extractive capital, taking it beyond the national border of Bangladesh. These studies have uncovered many significant issues, including the rationale and dynamics of grassroots grievances, the influence of the national political context, place-based memory and cultural identity, and the role of radical anti-corporate political movements. However, none has examined the conflict by paying close attention to the mining company itself.

An exception is Bedi's (2015) examination of the practices of corporate claims-making to discredit other narratives. But Bedi was concerned with a specific issue and highlighted the contradictions between the human-rights centered narrative of the United Nations, which urged the Bangladeshi government to halt the coal mine project and the CSR-driven narrative of the mining company. Notwithstanding Bedi's

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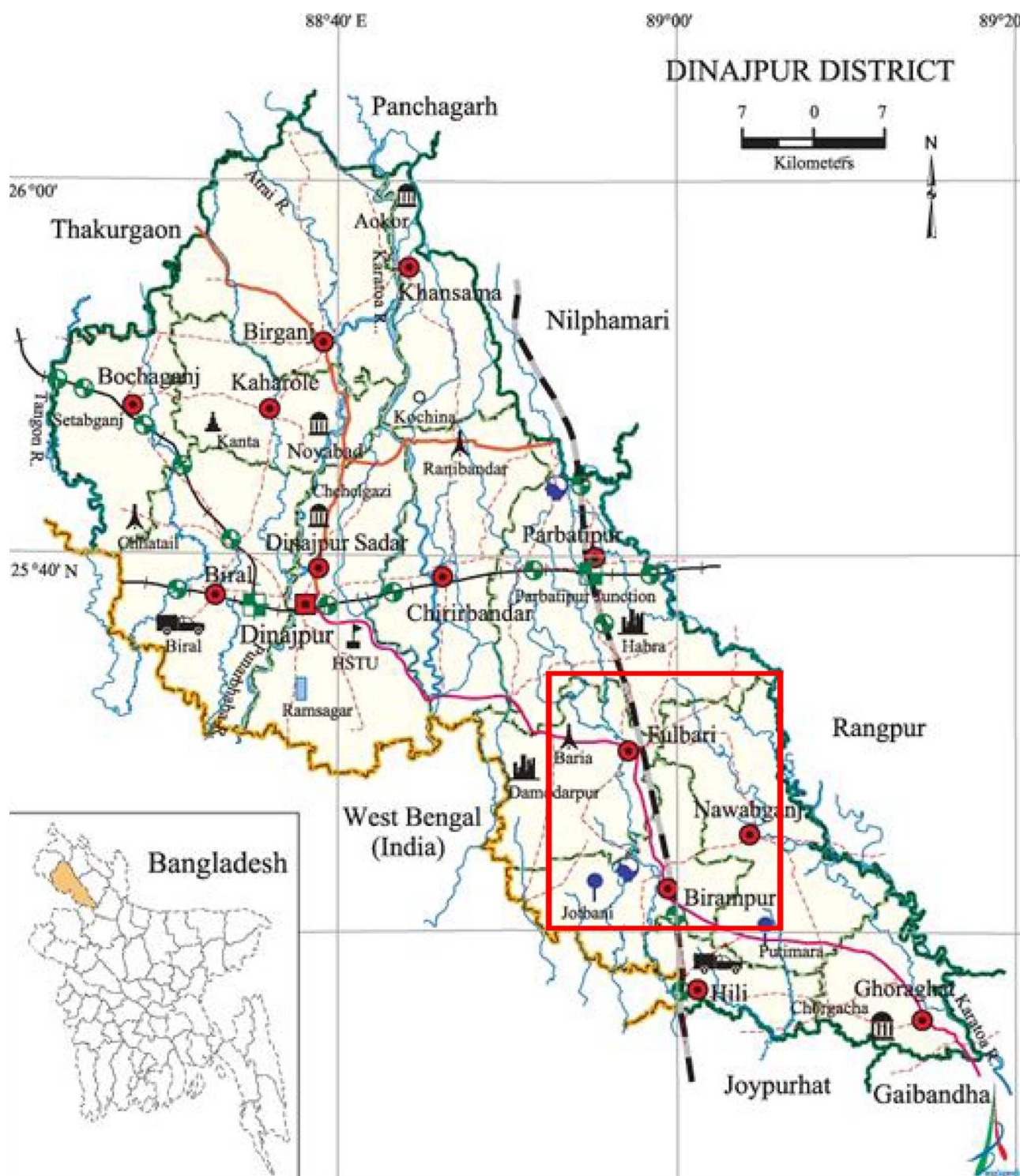


Fig. 1. Dinajpur: The Phulbari Coal Mine.⁶⁶

excellent analysis of the practices of corporate claims-making, we still do not have a clear understanding of the strategies of mining corporations to ‘manage’ company-community conflicts. This article will fill this gap and contribute to existing scholarship by critically examining documents and practices of the mining company to understand its failure in Bangladesh. More specifically, it asks how certain actions of the mining company created a congenial environment to mobilize a strong anti-mining movement.

Before moving to my arguments, a brief narrative on the empirical case is warranted. The Phulbari coal mine is in Dinajpur district, a town

near the India-Bangladesh border, 300 kilometers northwest of Dhaka (Fig. 1). An Australian mining company, BHP, discovered it in 1997 but decided not to develop it (Islam, 2008). A new company, Asia Energy Corporation (Bangladesh) Pty Ltd (AEC), later acquired the project. AEC, an Australian mining company, is a wholly-owned subsidiary of a British mining investment company, GCM Resources Plc.¹ The

¹ AEC, a new mining company formed in 1997 by two senior managers of BHP, is registered in New South Wales, Australia. An Australian mining investment company bought the majority of its share and entered into an agreement with a British mining

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