



Contents lists available at ScienceDirect

The Extractive Industries and Society

journal homepage: www.elsevier.com/locate/exis



Original article

Community involvement and development in Swedish mining

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ARTICLE INFO

Article history:

Received 10 January 2017
Received in revised form 28 April 2017
Accepted 28 April 2017
Available online xxx

Keywords:

Society
Community
Community involvement and development
Corporate social responsibility
CSR

ABSTRACT

Community involvement and development is a major component of Corporate Social Responsibility (CSR). It can be achieved through philanthropy, as well as development projects and social investments. The mining industry is at the cutting edge when it comes to CSR. However, research in this area has largely focused on the strategic level and corporate intentions, rather than practical implementation, and mostly from a non-European and community-focused perspective. The purpose of this paper, therefore, is to reflect critically on why and how a Swedish mining company and their representatives are committed to community involvement and development and how this can be furthered. A case study method was selected, with data being collected via interviews and documentation. The results show that the mining industry needs to develop an improved understanding of the community's expectations and allow citizens to become more involved in decision-making processes. The use of objectives and key performance indicators to monitor and continuously improve these efforts is of great importance, for example by evaluating donations and sponsorships. Community involvement and development can be improved by paying attention to research on the social licence to operate and by adopting a more proactive approach.

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1. Introduction

Sustainable development is a widely accepted concept. Its goals include the elimination of poverty, health for all, social justice, meeting the needs of society, living within the planet's ecological limits and not undermining the needs of future generations. The concept of Corporate Social Responsibility (CSR) is closely linked to sustainable development (ISO, 2010) and is defined as the voluntary integration of social and environmental concerns in a company's business operations and its interactions with stakeholders (Dahlsrud, 2008). The emergence and interest in sustainability issues has increased (Grolin, 1998) among companies, which has led to CSR becoming a high profile issue (Hamann, 2003). The idea that private companies can be responsible for their communities and the environment in which they operate, and do not just focus on creating value for their owners, is not new (Carroll and Shabana, 2010).

The extractive industries are at the cutting edge when it comes to practising CSR (Jenkins and Yakovleva, 2006; Kapelus, 2002; Reichert et al., 2000). Industries that utilize natural resources as part of their production are more likely to have a formal written

code of ethics, environmental policies, a sense of social responsibility and associated practices (Reichert et al., 2000) and provide social and environmental disclosure (Jenkins and Yakovleva, 2006). This cutting edge position is mainly due to a significantly increased stakeholder pressure over the last twenty years from non-governmental organizations (NGOs), social movements, indigenous peoples and the major impact that these industries have had on the environment and society (Kirsch, 2014; United Nations, 2006; Kapelus, 2002). Mining often sparks conflict between corporations, the government and the communities affected by its activities and these often revolves around land ownership, unfair compensational practices, inequitable resource distribution, environmental degradation, mine induced poverty and conflict over human rights abuses (Abuya, 2015).

Community involvement and development are a part of the broader concept of CSR, where the emphasis is on strengthening civil society. This can be achieved by philanthropy, training and skills development projects or an increased access to health care for those who are not directly employed by the company (Yakovleva, 2005; ISO, 2010). Stakeholder requirements and the expectations that a company will mitigate the negative aspects of its business and instead make a positive contribution to local society have increased (Watts and Holme, 2000; United Nations, 2006). Maintaining good relations with local authorities and politicians, neighbours, future employees, public opinion formers and so on is

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<http://dx.doi.org/10.1016/j.exis.2017.04.008>

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Table 1
General information about the interviews.

Respondent	Post	Time (h)	Date
R1	Information Manager, Boliden group	1	29 Dec 2013
R2	Personnel manager, Boliden Aitik	1	13 March 2014
R3	Head of information, Boliden Mines	1	14 March 2014
R4	Head of information, Boliden Rönnskär	1	14 March 2014
R5	Communications officer, Boliden Mines	1	14 March 2014
R6	Employer Branding, Boliden Group	1	14 March 2014
R7	Personnel- and environmental manager, Boliden Garpenberg	1	17 March 2014
R8	Site Manager, Boliden Garpenberg	1	17 March 2014
R9	Executive communications advisor, Boliden Odda	1	17 March 2014
R10	Communications officer, Boliden Haarjavalta	1	18 March 2014
R11	Personnel manager, Boliden Bergsöe	1	27 March 2014
R12	Communications officer, Boliden Kokkola	–	4 April 2014

important (Ranängen, 2017, 2015). The increased interest in CSR and community involvement and development has also led to more research in this area over the last twenty years (Grafström et al., 2008).

Mineral prices have rapidly increased in the twenty-first century, which has led to a large increase in mining activities in Sweden making it currently EU's leading producer of ores and metals (Haikola and Anshelm, 2016; SGU 2014). Its investment in exploration reached a record level in 2011 (Haikola and Anshelm, 2016; SGU, 2014). This expansion has met opposition from national environmental NGO's, local resistant groups, representatives from Sami organisations, the tourism industry, various academics, social scientists and regional politicians (Haikola and Anshelm, 2016). According to Haikola and Anshelm (2016) both the government and industry representatives argue that Sweden should set an example, worldwide, on "best practice" environmental and social aspects of mining operations.

Research regarding mining and community involvement and development in the Nordic countries have studied the relationship between stakeholders, community and mining corporations but often from the stakeholders point of view (Haikola and Anshelm, 2016; Beland Lindahl et al., 2016; Nygaard, 2016; Litmanen et al., 2016). Research from a corporate point of view has largely focused on the strategic level and intentions (Dobers, 2009) rather than practical implementation and application. There is a need for further research on the integration of CSR in core business processes (Ranängen and Zobel, 2014; Asif et al., 2013) from an internal rather than an external standpoint (Kemp, 2010). Thus, there is a need for more research on the practical implication of CSR from the corporations point of view and, more specifically, on how the industry contributes to the strengthening of society.

The purpose of this paper, therefore, is to contribute to a knowledge gap by describing why and how a Swedish mining and metals company is committed to community involvement and development and how this practice can be further developed.

2. Methodology

A case study method was selected here in order to describe why and how a mining company practises community involvement and development. Case study research is relevant if the questions require an extensive and in-depth description of a phenomenon (Yin, 2009), in that it allows the researcher to investigate social phenomena in real-life contexts (Miles and Huberman, 1994; Yin, 2009). Furthermore, single case studies are particularly powerful for exploring a phenomenon in its context (Eisenhardt and Graebner, 2007). Boliden AB was selected as the case company based on the following criteria: its high CSR profile, sustainability

reporting, local context and interesting field competencies such as metal recycling.

Boliden AB is a mining and metals company with core competencies in the fields of exploration, mining, smelting and the recycling of metals. The group has approximately 5500 employees in Sweden, Norway, Finland and Ireland distributed over six mining areas and five smelters, three marketing offices and one head office. All the mines produce complex ore containing zinc, copper, lead, gold and silver. Boliden's five smelters refine metal concentrates and other raw materials, such as electronic scrap, metal scrap, metal ashes and end-of-life car batteries, in order to produce pure metals and customized alloys. Boliden's marketing offices in Sweden, Denmark, the UK and Germany manage the sale and purchasing of raw materials, metals and by-products. The metals and by-products are sold and transported to customers, e.g. steel companies and other manufacturers of semi-finished products.

The case study data were collected via semi-structured interviews and documentation. In order to strengthen the internal validity, the interviews were conducted with the relevant functions responsible for both strategic and operational community involvement and development. An interview guide was distributed in advance. The interviews were carried out in person or by telephone. In one instance a written response was submitted. The interviews were recorded and later transcribed. The transcriptions were then sent to the respondents to ensure validity. Further information about the interviews is presented in Table 1, below.

The documentation includes policy statements, internal documents, sustainability and annual reports, and a film. More information about the documentation is presented in Table 2.

The data were coded into a number of sub-categories based on previous studies, see Table 3. The data under each category were

Table 2
General information about the documentation.

Documentation	Reference
The information film "Tack för länet".	(Boliden, 2014)
Annual report 2013	(Boliden, 2013)
Sustainability report, Boliden Rönnskär 2012	(Boliden, 2012a)
Sustainability report, Boliden Kokkola 2012	(Boliden, 2012b)
Communication policy	ID1
Communication instruction	ID2
Communication strategy	ID3
Summary of sponsorship	ID4

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