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Health interventions used by major resource companies operating in Colombia



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ABSTRACT

Resource extractive companies are providing an increasing amount of information about their corporate social responsibility (CSR) interventions, which often include diverse health initiatives provided to mine workers, mine workers' families and neighboring communities. This paper undertakes a review of the health initiatives of Colombia's leading mining, oil and gas companies, reported between 2005 and 2012. These interventions aim to improve the life of individuals both at work and in neighboring communities (including artisanal miners). Outcomes of this study were that companies preferred to use interventions that prevent disease rather than diagnose or treat it. Sixty percent of interventions targeted the health of mine workers, another 14% of interventions were directed to improve the health of the families of mine workers and the remaining 25% addressed the health needs of the wider community. Non-communicable diseases now account for more deaths than communicable diseases in Colombia, and perhaps in response to this we found that most interventions were associated with the control of non-communicable diseases (75%). Companies were more likely to address the health needs of indigenous peoples, if large populations of indigenous people lived near to their sites.

All of the Colombian districts with resource extraction activity had evidence of considerable levels of poverty and studied resource companies were attempting to alleviate health-related needs to some degree, above the provision of royalties to central or regional government. Artisanal mining plays an important role in the Colombian economy, and these miners are exposed to a multitude of health and safety risks. One larger scale gold mining company reported interventions that target improving conditions of artisanal miners. This study highlights the importance of all stakeholders in the economy (including MOG companies, local district governments, NGOs, etc.) actively participating in developing and implementing health interventions to improve the human development of communities impacted by resource extraction activities in Colombia.

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Introduction

Corporate social responsibility (CSR) is defined as “context-specific organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social and environmental performance” (Aguinis, 2011, p. 855). Highlighted in this definition is that CSR practice is driven by inherent characteristics of the organization as well as those of its associated stakeholders – including the community in which it operates. Also, that the organization's fundamental activities are driven by economic, social and environmental obligations; together exemplifying principles of corporate citizenship and sustainable

development. In regards to the mining sector, CSR ideals have a compensatory aspect as investment in other forms of capital (e.g. social, human) acts to counteract any disadvantage to current and future generations caused by mining's depletion of non-renewable resources (MMSD, 2002; Sánchez, 1998).

CSR reports are an important communication tool used by companies to detail their contribution to the sustainable development of the communities in which they operate (Golob and Bartlett, 2007). Of the world's largest 250 companies, those in the extractive resource sector are amongst those who produce the highest quality reports (KPMG, 2013). This likely reflects an underlying change of practice in this sector in an endeavor to better manage risks and increase the value add for mining, oil and gas (MOG)-impacted communities (Lagos and Blanco, 2010; O'Brien, 1994; Perez and Sanchez, 2009). This change is in part driven by increased public scrutiny of MOG companies due to the sector's chequered history of environmental and human rights indiscretions (Hamann, 2003; Perez and Sanchez, 2009) – especially in developing countries.

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A number of international initiatives have provided guidance to direct and improve leading mining companies' CSR practice and reporting. These include the Mining, Minerals and Sustainable Development Project (MMSD, 2002) and the International Council on Mining and Metals (ICMM). An important initiative of the ICMM has been to encourage its member companies to adopt 10 principles of sustainable development (2003), four of which directly address social responsibility – the focus of the current study:

- Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our [mine] activities.
- Seek continual improvement of our [mine] health and safety performance.
- Contribute to the social, economic and institutional development of the communities in which we [mines] operate.
- Implement effective and transparent engagement, communication and independently verified reporting arrangements with our [mine] stakeholders.

At the time of their issue, mining companies were already beginning to report their non-financial CSR activities (Perez and Sanchez, 2009) and as highlighted by Jenkins and Yakovleva's (2006) and Perez and Sanchez's (2009) reviews of the top mining companies' CSR reports at that time, these included mining companies' social contributions. The nature of which included health and safety, employee well-being, social/community relations and indigenous people (Jenkins and Yakovleva, 2006). Based on Global Reporting Initiatives G3 guidelines, Perez and Sanchez (2009) broadened the social performance criteria they used to measure CSR reports, and other social interventions found to be implemented by companies were human rights policies, compliance with International Labor Organization (child labor) conventions, management of landright and grievances, etc.

This study investigates the types of health interventions reported by MOG companies operating in Colombia, where three organizations the Ministry of Environment and Sustainable Development, the National Association of Colombia and the Colombian Business Council for Sustainable Development encourage companies to report their CSR activities. These organizations provide guidance in developing, implementing and continually improving companies' CSR strategies in line with the values and governance of Colombian society (Consejo Empresarial Colombiano para el Desarrollo Sostenible – CECODES 2011). Other agencies that exert influence on private companies' CSR behavior in Latin America include local independent NGOs, academic institutions and organized labor (Haslam, 2004). External advocates include international NGOs and industry-specific international peak bodies (e.g. ICMM). Baskin (2006) argued that unique socio-political factors of developing countries (more evident in Africa and Latin America than Asia) drive uptake of corporate initiatives. These include high levels of inequality, low levels of state provision and a relatively active civil society. Numerous factors therefore pressure MOG companies in Colombia, particularly large-scale companies, to implement CSR initiatives. Accordingly, a KPMG survey of the top 100 global companies in 2013 revealed that rates of CSR reporting of companies operating in Colombia (77%) were relatively high and similar to the rate of Brazil (78%) and only a little lower than that of the US (86%) – that had the highest reporting rate in the Americas (KPMG, 2013).

CSR and health initiatives

Health interventions are an important social element of resource companies' CSR practice (Jenkins and Yakovleva, 2006). Interventions are primarily directed towards mine workers and mine worker's families, but also to the immediate community and sometimes remote communities where workers or their families might be dwelling. In a recent review of their member companies' health programs the ICMM

(2013) reported that companies operating in developing countries typically engage in preventive or primary health programs run by third parties; and those in Africa and Asia use these strategies to primarily target communicable diseases (CDs), particularly HIV/Aids, tuberculosis and malaria. Communicable diseases (or infectious diseases that are spread directly from person to person or indirectly from vectors) continue to be a major cause of morbidity and mortality in developing countries (Lopez et al., 2006; Widdus, 2001). Companies' interventions can be particularly effectual in alleviating incidences of CDs due to the efficacy of vaccinations and antibiotics and the provision of infrastructure to improve sanitation. They therefore can be 'powerful private actors' (Schrek, 2009, p. 9) when local governments do not have the financial resources, infrastructure or institutional capacity to act. More recently, the increase in prevalence of chronic non-communicable diseases (NCDs) has contributed to the burden of ill-health in developing countries (Boutayeb, 2006). Controlling these diseases requires interventions that manage a different set of risk factors, more associated with individuals' lifestyle that can be less amenable to change. For example, the common risk factors underpinning the four major NCD groups (i.e. cardiovascular diseases, chronic respiratory diseases, cancers and diabetes) are tobacco use, unhealthy diets, physical inactivity and harmful use of alcohol (World Health Organization WHO, 2015). Boutayeb (2006) argues that the long duration and slow progression of NCD's makes them more difficult to control for people in lower income countries, whose limited resources do not extend to long-term health care.

South America has a lower prevalence of CDs than other developing regions, such as Africa (WHO (2014)), with statistics documenting that NCDs are now the greatest cause of premature death and morbidity in Latin America and the Caribbean (Center for Strategic & International Studies – CSIS, 2009;). The ICMM (2013) has recently listed sexually transmitted diseases, mental illness, drug and alcohol abuse and diabetes as the most common issues addressed by mining companies in this region – all but the first are non-communicable diseases.

CSR health initiatives used by the Colombian MOG sector

Colombia is a developing country with serious levels of social conflict and inequality (Peace Brigades International – PBI, 2011;). Despite these conditions, between 1980 and 2013, Colombia's Human Development Index (HDI) value improved from .557 to .711, placing the country in the lower band of the "high human development" category (United Nations Development Programme, 2014). This overall score masks continuing inequalities revealed when HDI scores are geographically mapped to the various Colombian districts ('departamentos' in Spanish). PNUD (2011) report that people living in some Colombian districts have low human development – experienced by a shorter life expectancy, limited years of schooling and poor standard of living (HDI dimensions), while other districts' populations fare better and have a medium or even a high level of human development. Parra-Peña et al. (2013) recently identified the following Colombian regions as having a higher proportion of people living in poverty or extreme poverty: Pacific¹ (60.25%), Atlantic² (56.9%), Antioquia (55.22%), Eastern region³ (48.9%), Central⁴ (47.82%), Orinoco and Amazonia⁵ (40.6%), Valle (37.98%), San Andres (20.67%) and Bogota (17.44%).

¹ Pacific region includes the Choco, Cauca, and Nariño districts.

² Atlantic region includes the La Guajira, Cesar, Magdalena, Atlántico and Cordoba districts.

³ Eastern region includes Norte de Santander, Cundinamarca, and Meta districts.

⁴ Central region includes Caldas, Quindío, Risaralda, Tolima, Huila and Caquetá districts.

⁵ Orinoco and Amazonia region includes Arauca, Casanare, Vichada, Guainía, Guaviare, Amazonas and Putumayo districts.

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