Exploring Political Corporate Social Responsibility

A Case Study in Australian Mining

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Preface

This particular project came about at a time when a multitude of political and economic factors made research on CSR and politicised CSR in Australian mining an inevitable choice for further study. With rumours of collusion and corruption, it was clear that the mining sector in Australia was a highly politicised and yet understudied area. At the same time, there was evidence of increased community awareness across the globe and a growing sense of discontentment at the levels of economic and social inequality brought about by unethical corporate practices. On a personal level, this study illustrates a lifelong endeavour to better understand the complicated nexus that exists between economic, political and social actors, a project that may never be finished.
Statement of Authentication

The work presented in this thesis is, to the best of my knowledge and belief, original except as fully acknowledged in the text. I hereby declare that I have not previously submitted this material, either in whole or in part, for a degree at this or another institution.

Signature of candidate

Signature of principal supervisor
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Abbreviations

CC Corporate Citizenship
CCC Community Consultative Committee
CED Committee for Economic Development
CSP Corporate Social Performance
CSR Corporate Social Responsibility
FCA Forestville Community Association
GRI Global Reporting Index
ICAC Independent Commission Against Corruption
KPI Key Performance Indicator
MDGs Millennium Development Goals
NGO Non-government organisation
NSW New South Wales
PAC Planning Assessment Commission
PCSR Political Corporate Social Responsibility
RCCC Canadian Royal Commission on Corporate Concentration
SIA Social Impact Assessment
SLO Social License to Operate
SVC Shared Value Creation
UK United Kingdom
UN United Nations
UNGC United Nations Global Compact
Abstract

This thesis presents a critique of Scherer and Palazzo’s (2011) political corporate social responsibility framework (PCSR). This critique is based on a single exploratory case study of an Australian mining company and its relationships with government and community stakeholders. More specifically, this research investigates the extent to which the PCSR framework proposed by Scherer and Palazzo (2011) is adequate to explain the activities of the company in question, and the dynamics with its key stakeholders. The original contribution to knowledge of this thesis is an extended PCSR framework that accounts for civil society perspectives and stakeholder power relations.

The case study selected involved a highly politicised mine extension case for a multi-national company operating in Australia. This case was selected for its theoretical relevance as the company had a long and ongoing history of corporate social responsibility. The case study analysed extensive secondary data including media reports, company policy and NGO documentation to produce a timeline of events. In-depth semi-structured interviews were the primary sources of data; these were triangulated with direct observation of community meetings and government hearings. The data were used to produce a thick description of PCSR in action in an Australian mining context.

The themes that emerged from data analysis indicated that PCSR as practised in the case study, departs from the theoretical assumptions of the Scherer and Palazzo (2011) framework. While the framework proved useful in categorising macro-level activity related to PCSR, it was unable to fully account for the roles of actors and the impacts of their activities under PCSR at the local level. The analytical framework also did not account for the impacts of PCSR on power roles of stakeholders, despite being a central feature of the theory underpinning PCSR (Habermas 1996). Results indicated the need for an extension to Scherer and Palazzo’s (2011) framework. As a result, this study makes two key contributions to the PCSR research. First, this study conceptualises a model for the role of power within stakeholder deliberation, and second, it offers an extension to the framework of Scherer and Palazzo (2011) that accounts for civil society perspectives. The study concludes by considering directions for future research.
Key words: Political Corporate Social Responsibility, PCSR, Corporate Social Responsibility, CSR, Mining, Australia
Chapter 1 - Introduction

1.1 Background to the thesis

In recent decades, corporate social responsibility (CSR) has experienced a paradigmatic shift toward the ‘political’. This shift entails corporation increasingly operating in areas that were traditionally the purview of government. That is, firms may provide public goods and seek to fill governance gaps due to failures or fragmentation of local, state or international regulators (Scherer et al. 2016). A newly emerging field of study has taken shape, Political Corporate Social Responsibility (PCSR), which focuses on the changing role of the firm in society.

New research increasingly seeks to understand this phenomenon. The PCSR literature has been significantly shaped by the work of Scherer and Palazzo (Palazzo & Scherer 2006; Scherer & Palazzo 2007; 2011; Scherer et al. 2009), who have proposed a frame of reference to characterise the emergence of PCSR. The five features of this framework (2011) are: a shift toward global governance, the move toward self-imposed soft law, the growing scope of corporate responsibility, the increased focus on moral legitimacy over pragmatic considerations and the changing model of democracy toward deliberation. This thesis critically examines these five features and proposes an extended framework on the basis of Habermasian deliberative democracy (1996).

The shift toward PCSR is seen in the growing prominence of private global governance initiatives, such as the United Nations Global Compact (UNGC), which sets ten principles for ethical business practice and requires annual reporting from its corporate signatories. The UNGC is a kind of learning forum for business ethics (Banerjee 2010), although the effectiveness of such mechanisms is disputed. As a result, there is a lively debate over PCSR both in practice and theory. Some of the issues under debate include: the efficacy of PCSR initiatives, how PCSR should be defined and framed, why corporations are motivated to engage in PCSR, the changing nature of democracy with regards to PCSR, and the impact of PCSR upon civil society (e.g. Banerjee & Sabadoz 2014; Scherer et al. 2016; Whelan 2012).

Critical scholars have sought to highlight some of the potential negative implications of PCSR through theoretical critique. For instance, Banerjee (2014)
delineates key gaps in the existing PCSR framework of Scherer and Palazzo (2011), such as the paucity of civil society perspectives, and a lack of sophisticated analysis of power roles. Further, some early empirical examinations also raise potential limitations of the Scherer and Palazzo (2011) PCSR theory, such as the case study work of Hennchen (2012; 2014). Much of this early empirical work has focused upon major injustices occurring in the developing world, for instance, the implication of Shell in the government-backed murder of environmental activists in Nigeria (Hennchen 2012). Case studies in developing nations may provide undisputable evidence of corporate irresponsibility. However, empirical research in developed contexts is lacking and offers the opportunity for uncovering more nuanced considerations for researchers studying the implications of PCSR (Banerjee 2014).

This introductory chapter will:

- Provide the key definitions of concepts used throughout this study
- Define the research problem that forms the basis for this study
- Define the theoretical framework that this study employs
- Outline the justification for this study
- Overview the methodology required for this study
- Overview the chapters contained within this thesis.

1.2 Key definitions

Each body of literature contains key terms, concepts and phenomenon that are defined in a multitude of ways. The corporate social responsibility research is no exception, with various debates ongoing over the definition of key concepts. CSR research is a diverse field of study, spanning multiple bodies of literature and disciplines. The ambiguity of key terminology in the CSR research has been cited as an issue (e.g. Clarkson 1995). For clarity, this chapter begins with defining the following key terms used throughout this thesis, including: corporate social responsibility, political corporate social responsibility, political, community and civil society.

This thesis borrows from the work of Dunham et al. (2006) wherein corporate social responsibility is defined as discretionary activities that go beyond legal requirements of the firm. According to Carroll (1979) these discretionary business activities can occur in four dimensions, economic, legal, ethical and philanthropic.
‘CSR research’ is usually employed as an umbrella term (Palazzo & Scherer 2006) that encompasses one or more of these bodies of literature. This thesis focuses on management research.

Borrowing from the work of Scherer and Palazzo (2011), political corporate social responsibility (PCSR) is defined herein as the movement of the firm into the public sphere. Scherer and Palazzo (2011) contend that this shift toward politicised CSR occurs in five aspects: governance model, role of law, scope of responsibility, mode of legitimacy, and concept of democracy. There is some diversity in contemporary conceptions of PCSR (Mäkinen & Kourula 2012), however amongst all definitions of PCSR the central tenet is a more democratic approach to corporate governance.

The term ‘political’ refers to the involvement of civil society, government and corporate actors. This market-state-civil involvement is said to be communicative, that is, the engagement is marked by ongoing discourses between the three groups (Scherer et al. 2016; Young 2006). Palazzo and Scherer (2006) state that “Issues are defined as political if they provoke public concern arising from power” (emphasis in original, p. 78). Young (2004) takes the notion of political-public concern a step further, stating that political activities occur where

People organize collectively to regulate or transform some aspects of their shared social conditions, along with the communicative activities in which they try to persuade one another to join such collective actions or decide what direction they wish to take (p. 377).

Lastly, it is important to consider that this thesis relies heavily upon conceptions of civil society, stakeholders, community and the social sphere. While the notion of community is a complex and fluid one, with a community’s identity being related to different traits in different times (Duarte 2010), community is used herein to designate individuals who are affected by the operations of the company. Community members in this study are often near neighbours of the company, however this can also include those with historical or cultural links to the locality. Stakeholders is a term that was defined in the work of Freeman (1984) this thesis defines a stakeholder as any person or group with an interest in the corporate activity, regardless of the corporation’s interest in them. Furthermore, this thesis often refers to the concept of civil society to
denote a conception of the relevant jurisdiction’s citizenry, usually at the nation state level. Each of these concepts is considered in more depth in Chapter 3.

1.3 The main research problem

It is recommended that PhD research begins with an early identification of the key research problem to be investigated (Zuber-Skerritt & Knight 1986). Yin (1989) also recommends that researchers begin by asking questions of what, where, why, when and how in order to define relevant parameters for their research problem. This approach has helped to shape the identification of a key research problem that underpins this study, namely: how can Scherer and Palazzo’s (2011) PCSR framework account for civil society perspectives?

In essence, this study aims to critique the limitations of Scherer and Palazzo’s (2011) framework of PCSR in order to develop an extended framework that may better account for the role of civil society. This study finds that much of the research on PCSR has been derived from a normative perspective that overwhelmingly assumes the impacts of PCSR on civil society are positive. This study looks to uncover a more nuanced and sophisticated understanding of the perspectives of civil society actors with regards to PCSR initiatives and the power roles that occur within stakeholder relations. The aims of this study respond to four key gaps in the literature:

1. CSR research has emerged from an instrumental viewpoint, that focuses on the perspectives of corporations and assumes positive impacts of social responsibility initiatives.
2. Few studies include first-person community perspectives and in particular, civil society accounts of CSR from within developed economies is under researched.
3. The theory of PCSR is yet to be comprehensively examined, both theoretically and empirically.
4. Emerging critiques of PCSR are yet to be widely substantiated with empirical data.
1.3.1 Unique contribution to literature

This study responds to the research gaps identified by developing a more nuanced and sophisticated understanding of the perspectives of civil society actors with regards to PCSR initiatives. This study makes two key contributions to the PCSR research. First, this study conceptualises a model for the role of power within deliberation under PCSR, and second, it offers an extension to the framework of Scherer and Palazzo (2011) that accounts for civil society perspectives.

1.4 Research context

This research draws from an exploratory case study of a multinational mining company, MM Mining\(^1\), which operated in a regional Australian locality. This case study was based on the case of MM Mining’s controversial mine extension plan in the state of New South Wales (NSW). This mine site occurred in a mixed regional agriculture and mining area of Australia. MM operated an open-cut coalmine, which produced approximately ten million tonnes of coal per annum, mostly for export (citation withheld)\(^2\). The mine had operated for around 30 years at the time of the study, bringing rapid economic growth to the region. The mine employed over 1,000 workers (both directly and indirectly). The MM mine site was located between two regional towns, to the north a town of around 15,000 residents called ‘Minetown’, and a small village of less than 500 residents called ‘Forestville’ to the south.

MM was the majority owner and operator of the MM mine site in NSW. MM is a multinational mining company. MM has been reported as one of the world’s largest mining companies in terms of revenue and one of the largest firms operating in Australia (citation withheld). MM was first listed on the Australian stock exchange in the 1960’s (citation withheld) however its first operations date back some decades earlier.

This research is based on the controversial mine extension plan that saw MM Mining in conflict with the small rural community of Forestville for a number of years. The small community and their supporters (referred to as the Forestville community

\(^1\) Pseudonyms are used throughout to protect anonymity of places, companies and people’s names.
\(^2\) In order to uphold the confidentiality and anonymity agreement with the mining company under study, various citations are withheld throughout this chapter and pseudonyms are employed.
throughout) contested the state government approval of MM’s mine extension plan, citing it as illegitimate. As a result, the Forestville community was engaged in a number of court cases, fighting both MM Mining and the NSW State Government who formed an alliance in response to the community litigation. This was a highly politicised case, which made various appeals to CSR and uncovered important implications for the PCSR framework under examination.

The MM mine site and the extension controversy offer a unique and important opportunity to study the political and social implications of PCSR practices, within an Australian mining context. The case study history presented here offers insights into complex interrelationships between corporate, government and community stakeholders. By employing a case study approach, this study ensures in-depth perspectives are gathered from all stakeholders involved.

1.5 Research aims

This thesis has three overarching aims:

1. Fill a research gap by empirically examining the role of PCSR in a developed economy, such as Australia.
2. Develop an extension to the PCSR framework of Scherer and Palazzo (2011) with consideration for civil society perspectives.
3. Conceptualise stakeholder power relations under deliberative PCSR.

Six related key research questions more specifically associated with the case study to be examined in this thesis have been developed on the basis of a literature review and emergent gaps outlined in Chapter 3:

I. How has the role of MM Mining been reshaped by global governance initiatives?
II. How does soft law influence MM Mining and its relationships with stakeholders?
III. In what ways does MM Mining engage in a broadened scope of social responsibility?
IV. How do moral considerations influence stakeholders with regards to MM Mining’s legitimacy?
V. How are stakeholder power relations reshaped under deliberative PCSR?
VI. How can Scherer and Palazzo’s (2011) PCSR framework account for community stakeholder perspectives?

1.6 Theoretical framework

This study employs the theoretical framework developed by Scherer and Palazzo (2011) as a starting point to define PCSR. As outlined earlier, this theoretical framework utilises five features to describe the changing dynamics of the role of the firm under PCSR in relation to governance, law, responsibility, legitimacy and democracy.

Scherer and Palazzo’s (2011) PCSR framework serves as a basis for analysis of the data collected for this study. This framework will also serve as the basis for developing an extended framework for PCSR, using the case study of a mining company operating in Australia. The five key elements of the Scherer and Palazzo framework will be explored using case study fieldwork data, the methodology for this process will be outlined in Chapter 4.

1.7 Methodology

A case study approach is employed as defined by Yin (1989; 1994) in order to explore the implications of PCSR activity in an Australian mining locality. In the current study, the goal is to explore a newly emerging theory (Scherer & Palazzo 2011) within a case study context.

This case study uses of a number of methods to develop an in-depth understanding of multiple stakeholder group perspectives. In line with Yin (2013) multiple sources of evidence were utilised for this case study in order to maximise data quality. The sources included: in-depth semi-structured interviews, direct observation of NGO and civil group activities (meetings, workshops and online forums) and content analysis of secondary data including corporate, government and civil group documentation.

The most significant source of data were the in-depth semi-structured interviews. In total 22 interview instances were collected from 16 participants from a cross-section of the three stakeholder groups. There was difficulty in obtaining further data from government and corporate stakeholders who reported they were unable or unwilling to comment given court proceedings against MM Mining. Nonetheless, this was
supplemented with online interview records and data saturation was reached with community stakeholder interviews. This will be further described in Chapter 4.

1.8 Limitations

While the current study makes a significant contribution to the PCSR literature, limitations must also be acknowledged. There are three main limitations in the current study. First, being a single exploratory case study, the outcomes of this study are not widely generalisable to alternative contexts. It will be important that further case studies in a range of industries, locations and jurisdictions occur, that can strengthen the existing results and improve generalisability. Secondly, the study had a small sample within the corporate and government stakeholder groups. While data triangulation was used to mitigate the issue of small sample in these groups, having improved response rates from corporate and government interviewees would have further improved the robustness of data. Third, this study offers only a snapshot in time, where a longitudinal dataset over a period of five or more years could have offered a more in-depth examination of the evolution of stakeholder relations under PCSR.

1.9 Thesis outline

This thesis is comprised of six chapters. Thus far this chapter (Chapter 1) has outlined the parameters of this study, including key definitions, the theoretical framework, the research problem, as well as the justification for this study. The research questions and the methodology were also discussed.

Chapter 2 presents a more detailed account of the context of the MM Mining case study. This context draws from public records, media reports, company documents and other secondary sources to present a full contextual overview of MM Mining and their current mine extension controversy.

Chapter 3 reviews the body of literature on CSR and PCSR. This includes the discussion of a categorisation model to understand the various approaches taken to the study of CSR in the management literature. Furthermore, the five feature framework of PCSR (Scherer & Palazzo 2011) is reviewed in some detail, which forms the basis for the identification of research gaps and the development of the research questions.
Chapter 4 describes the methodological choices that were made in order to answer the research questions. This chapter discusses methodological elements such as paradigm, design, data quality, sampling method, procedure and analysis. It also considers the limitations associated with the design along with a detailed breakdown of the interview protocol and ethics considerations taken for this study.

In Chapter 5 results of the exploratory case study are described, creating a ‘thick description’ (Geertz 1973) of the case site around the MM Mining extension controversy. It achieves this by firstly providing a detailed timeline of events in the case study, and then by reviewing the data gathered from the semi-structured interviews. The key themes that emerged within the stakeholder groups are first presented and then integrated and compared across groups.

Chapter 6 discusses the research findings in relation to the PCSR model of Scherer and Palazzo (2011). This yields insights around the proposed extension for the framework to fully account for community perspectives. The research questions are addressed, key contributions to the field are clarified, and the extended PCSR framework is proposed.

In Chapter 7, conclusions to the current study are outlined. The research problem and questions initially set out in this chapter are reviewed, the extent to which this study has achieved these aims is assessed. The contribution to the literature is made clear and the various limitations are addressed in terms of opportunities for future research on this important topic.

### 1.10 Summary

PCSR, the movement of the firm into the public sphere, is an emerging phenomenon. PCSR is primarily conceptualised in the work of Scherer and Palazzo (2011; 2016). This thesis builds on Scherer and Palazzo’s (2011) framework by drawing on primary and secondary research in the case of a multinational mining company, MM Mining, and its controversial mine extension plan in NSW. This highly politicised case is a unique and important opportunity to study the political and social implications of PCSR in the Australian context.

This introductory chapter has defined key concepts: CSR, PCSR, political, community, stakeholders, and civil society. These concepts are considered in more depth in Chapter 3. The main research problem has been identified; to critique the
limitations of Scherer and Palazzo’s framework, especially with regard to the role of power, in order to develop an extended framework to better account for the role of civil society.

The research context for this thesis is the interactions between a multinational mining corporation, the State government, and the community; the mine is located in regional New South Wales. The company, already operating a large open-cut coal mine, applied to the government for an extension of the mine. The ensuing process of community protest, litigation, and the consequent state-corporate alliance are described briefly in this introduction and in more depth in Chapter 2.

The three overarching research aims for the case study have been identified, along with six key research questions. Scherer and Palazzo’s PCSR framework (2011) is briefly introduced and will be expanded upon in Chapter 3. This case study employs a number of methods to gain an in-depth understanding of a complex situation involving multiple stakeholders: semi-structured interviews, direct observation of NGO and civil group activities, and content analysis of secondary data. The central data source will be 22 interviews from 16 participants, obtained from a cross-section of the stakeholder groups. Chapter 4 provides more detail of the data collected.

The limitations of this case study have been discussed in detail in this introduction. Primarily these are lack of broad generalisability and a small sample size. However, the methodology was designed with the purpose of maximising the potential for general application, achieving data saturation, and creating triangulation.

Results are presented and discussed in Chapter 5, including a timeline of events, and interview data. These findings are examined according to the PCSR model in Chapter 6, in which the research questions are discussed in detail, key unique contributions are identified and clarified, and finally the extended PCSR framework is proposed on the basis of this case study. This case study concludes by reviewing the research questions and discussing the case study findings in relation to the aims of this thesis, including its contribution to the field and limitations.
Chapter 2 - Case Study Context

2.1 MM Mining CSR context

As outlined in Chapter 1, an exploratory case study design was employed with the MM Mining company in NSW, Australia. This chapter provides a contextual overview of the political and CSR activities of the company as well as a detailed chronology of the mine extension controversy. The coming sections will briefly overview the political and social context of the MM Mining company as well as the MM mine extension controversy upon which this case study is based. This begins with the broader context of global CSR practices for MM Mining and then moves onto the Australian CSR context for MM Mining, before reviewing the current controversy. A summary of this timeline is presented in Table 1, below.

2.1.1 Global CSR context

MM has a long history of institutionalised CSR activity, for instance, MM is one of the key signatories of the United Nations Global Compact (UNGC; citation withheld). MM is also involved in CSR working groups, such as the Global Reporting Initiative (GRI), a partnership organisation to the UNGC (Young & Thyil 2009). Consequently, we may expect that MM has played a role in shaping CSR standards at an international level. The UNGC is a clear example of a framework that take a PCSR approach to business ethics. Being a form of globalised governance that is self-regulated and calls for a broader, more proactive approach to social responsibility, the UNGC fits the Scherer and Palazzo definition of PCSR (2011). MM mining reports to the UNGC at the advanced level, meaning they offer the highest level of disclosure in their yearly report (Schembera 2012). The advanced level of reporting requires the member to describe in detail how they plan to meet the advanced criteria in terms of sustainability governance and leadership, implementation of the ten principles into practice, and managerial policies that align to UN human rights goals, anti-corruption, labour and environmental standards. Not only does MM report at the advanced level as a global group but is also involved in local UNGC operations such as the Human Rights Working Group and the UNGC chapters in Australia and the UK (citation withheld).
Despite the role played by MM in contributing to PCSR initiatives, there are some questions over the validity of their efforts. For example, an Australian not-for-profit policy agency has reviewed the reporting standards of 16 major companies operating in Australia, who report using the GRI. They found MM to be amongst the companies with the lowest standards, with nearly half of the MM Mining GRI report containing unsubstantiated and questionable claims (Downes 2014). This not only brings the CSR work of MM Mining into question, but also places uncertainty over the ‘assurance’ providers who are responsible for validating GRI reports.

2.1.2 Australian CSR context

MM Mining has undergone a change in their local CSR approach in the last decade, placing greater emphasis on stakeholders. This was stated by one of MM Mining’s senior executives (citation withheld), who cited that MM was increasing their recognition of both Aboriginal Australian people and neighbouring communities, to consider them as relevant stakeholders. It has been reported that senior management recognised the benefits to their business in improving their relationships with Indigenous people, and as a result worked to shift company policy toward greater recognition of Indigenous communities (citation withheld). As reported by Trebeck (2009) the company shifted from campaigning to minimise recognition of Indigenous rights, to seeking a reputation as Indigenous Australia’s preferred development partner. This shift was self-described as a ‘philosophical sea-change’ by senior executives (citation withheld).

Some of the drivers behind this change included the rise in risk of public scrutiny, risks to reputation, violent protests and instances of mining failures such as the closure of a large mine in rural Papua New Guinea (Trebeck 2009). In the words of one of MM’s senior executives:

We and other businesses have long had close associations with our local communities, but not typically with the broader community. The changing nature of business today is that the broader community is more engaged - they want transparency, they want accountability, and they want information. They want to know what businesses stand for. That is a global change to which we are responding, rather than creating as such. This doesn’t lessen the need to look after your particular local community or sector, but there is a much broader community that you need to address as well (citation withheld).
2.1.3 Political relationships

MM Mining Company has been awarded several accolades from the Australian Government as well as NGOs for their community and CSR efforts. These include the Australian Business Arts Foundation Award for Partnerships with Links in Regional and Remote communities (citation withheld). These accolades span back the last decade across all states of Australia. Such a context indicates that MM Mining has worked to strengthen its strategic relationship with the Australian Government and relevant NGOs. At a more local level, MM Mining Company has been reported in the media as holding a strong relationship with the NSW State Government (citation withheld). Media reports of meetings between the NSW Premier and MM Mining executives indicate an open line of communication, (citation withheld). Furthermore, the NSW State Government proved to be a strong ally for MM Mining by partnering with them in an appeal against the NSW Land and Environment Court.

According to a renowned union (citation withheld) MM is heavily involved in political donations in the USA, where offset organisations are setup to ensure the company cannot be linked directly to political funding. For instance, in 2014 there was a recorded lobbying expenditure for MM in the US at nearly 1 million US dollars. Yet according to the company’s own code of conduct, MM Mining states that they do not in any way participate in politics nor do they make direct or indirect donations to any political parties (citation withheld).

2.2 The mine extension controversy

In 2010, MM Mining sought to expand their mine site toward the small village of Forestville. This mine extension plan was met with strong resistance from various members of the Forestville community. The initial application made by MM would see the mine site reach within 2600 metres of the Forestville village, home to around 300 people. To fully understand the politicised nature of this issue and the relevance to PCSR, it is necessary to review a full timeline of events for the MM mine and the residents of Forestville (shown in Figure 1, below).
In 2003, MM signed an agreement to protect areas of environmental significance that surrounded their mine site, at this time the mine was planned to cease operations by 2021. This agreement was significant as the MM mine borders a rare native woodland area, which is home to an array of endangered species. Under the 2003 agreement, this woodland area would be protected in perpetuity from development. However, in 2010, MM began working to extend the life of the mine for an extra decade, through to 2032. In doing so, MM would extend the mine site boundary by 766 hectares, including mining the previously protected woodlands. The Forestville community, which was previously a minimum of 6000 metres from the mine site, under the extension would now be within 2600 metres.

Following their 2010 application for a mine extension, MM was granted approval in 2012. The state government Planning Assessment Commission (PAC) gave final approval for this expansion and extension to occur, despite significant community backlash, particularly from Forestville and segments of the community in the surrounding region. At the time over 100 submissions were made to the Department for Planning and Infrastructure regarding the mine expansion. Only one submission was in support of the expansion approval. Despite this, approval went ahead.

Figure 1: MM mine site extension zone and surrounds
MM claimed that the enlarged mine would directly create an extra 150 full-time jobs and extend the life of the existing jobs by another 11 years. And the state government stood to gain an extra $680 million in royalty payments from the additional coal that the mine would produce. In February 2012, the NSW state government green-lighted MM’s plans to extend the mine.

2.2.1 The court case against MM mine extension

In 2013, a number of Forestville residents rallied together to fight against the MM mine extension. These residents cited the likely social and environmental costs to their town, such as unliveable dust, noise, vibrations and significantly reduced public amenities and loss in property value (citation withheld). These Forestville residents largely banded together through the Forestville Community Association (FCA). The FCA sought legal support to counter the approved MM mine extension. FCA enlisted the help of the Environmental Defenders Office, and took their case against the mine to the state’s Land and Environment Court seeking an overturn of the approval. The FCA raised significant funding in order to hire independent experts to assess the economic, social and environmental impacts. The funding was raised from a number of sources, including a CSR grant from MM Mining themselves. In April 2013, the state’s Land and Environment Court ruled in the favour of the FCA and overturned the approval for the MM mine extension.

In response, MM appealed to the Supreme Court. In doing so, they were supported by the state government’s planning department. Despite the alliance between government and corporate forces, the Supreme Court upheld the ruling from the Land and Environment Court. The MM mine extension plan was not to proceed. However, this scenario was not a straightforward joint appeal process. There were reports of meetings between executives from MM’s International Headquarters and the top state government politicians around June 2013 (citation withheld). MM Mining reported that the MM extension plan was on the meeting agenda. Following these exchanges, the Department for Planning and Infrastructure released a rushed legislation change.

2.2.2 Mine planning legislation change

A few months after MM Mining’s failed appeal the government released a significant change to mine planning legislation. This legislation reform essentially
declared economic priorities to outweigh any social or environmental factors associated with a mine planning application (citation withheld). The amendment specifically stated that the economic benefit of a potential mine project must be the primary consideration of decision makers. It also outlined a set of five minimum non-discretionary environmental and social impact criteria. If a planning application met these five non-discretionary criteria, it must be approved. The amendment was clearly skewed in the favour of approval, even an application that failed to meet the non-discretionary criteria would still be eligible for approval after deliberation. In November 2013, this legislation was brought into full effect. Within days of this legislation being passed, a new MM mine extension application was brought forward. The newer MM application requested a reduced area compared with the first application but kept the option for further extensions of the mine in the future.

In order to have their new application granted, MM would need to undertake the full Planning Department review process again. The review process for a mine extension is typically long and arduous, a feature of the complexity of deliberation. For instance, in 2003 the state government took around 400 days to consider and approve a smaller MM mine site application, this included a length of time in which the public make submissions either in favour or opposition for the plan. On their second application, this deliberation process was fast-tracked. As a result, MM Mining was granted approval in around 60 days.

2.2.3 Expedited approval for second MM mine extension application

On the second MM mine extension application, all steps of the process appear to have been expedited. A usually lengthy public hearing phase was shortened to two weeks, which was met with much criticism from the public and other stakeholders including the state government Health Department which could not meet the two-week deadline (citation withheld). The state government then recommended approval of the plan just two days after the submission closure, which again raised questions for the public. The FCA responded in writing to the state government, in effect the FCA accused the government of collusion with MM, stating “Your department appears to be colluding with the mine proponent, MM, to bypass due process in order to have the project approved in an extraordinarily short time frame with minimal oversight” (citation withheld). During the expedited two-week submission period, the government received over 1100 public submissions. Nearly 1000 of the submissions
were in favour of the mine extension, however, key informants speculated that many submissions came from mine workers under the influence of MM Mining management, this was later confirmed in media reports (citation withheld). Nonetheless, the number of submissions was an overwhelming response and meant that the MM application would move forward to the final approval phase — the PAC hearing.

The PAC hearing is the final stage of the mine extension approval. The hearing was set for January 2014, however prior to this date some important points of information became public. Much of this information was gathered by one of the leading members of the FCA. ‘Josef’ is the Forestville resident who spearheads the action group against the MM plan. He had attended all the Community Consultative Committee meetings with MM, but Josef says MM never mentioned any plans for its new application in any community meeting. Josef reported his frustration that ‘community engagement’ sessions were shrouded in secrecy. Josef was also the first to get hands on a government document revealing that the ‘protected woodlands’ agreement from 2003 was actually scrapped some months earlier, again MM was not upfront in divulging this information to the public (citation withheld). This was another blow for the FCA who wanted to use their agreement to gain government support. Lastly, it was confirmed that workers from the MM mine were pushed into writing the nearly 1000 public submissions in favour of the mine site. In response to the above information, the FCA created an online petition against the MM extension plan. They aimed their petition at the PAC and gained over 5000 online signatories and supporters within the few weeks leading up to the hearing day. This was evidenced by the online petition and reported in the media (citation withheld).

In January 2014, the state government’s independent PAC hearing took place. The room was open to the public with a large number of mining staff present. Media recordings were cancelled on the day. Mine workers later told media that their bosses had pushed them into attending (citation withheld). The PAC approved the new MM mine extension plan that day. This approval opened up a 29-hectare parcel for mining with the possibility for further extensions to come. Following the PAC hearing, FCA lodged a complaint with the Independent Commission Against Corruption. FCA’s leader, Josef gave a media statement saying, “we have the evidence there that the government was in effect in bed with the mining companies on these matters” (citation
withheld). Josef argued that the expedited pace of the approval process violates due process requirements. NSW Premier (at the time) Barry O'Farrell denied any wrongdoing. At the time of writing, the Commission against Corruption was looking into the FCA’s claims.

2.2.4 The third MM mine extension application

In March 2014, MM made a renewed application for the full MM mine extension, similar to the first application that was rejected in the courts. This application was to be considered under the fast-tracked mine planning legislation which would prioritise economic outcomes. In a media statement (citation withheld), the MM mine site manager recognised the concerns of Forestville residents stating

you know we are going to continue to consult with residents of Forestville and we know that some residents obviously have got some concerns … We’ve attempted to respond to some of those concerns and we’ll continue to consult with them through the application process.

Media released in late March 2014 (citation withheld) showed that MM consulted a social impact assessment firm to engage with the community on the company’s behalf. A Social Impact Assessment (SIA) is not required under state legislation, but in a first for MM the SIA was conducted in response to community concern.

The MM mine manager confirmed in the media that a new application was in for the mine extension that included up to $9 million offset for environmental and social development programs. Josef and the Forestville Community group responded claiming the new MM extension application was no different than the first rejected application. However, the new application had the advantage of being considered under the new planning legislation that prioritises economic benefits.

2.2.5 Final MM mine extension hearing

On 20 February 2015, the PAC assembled for the review of the third MM mine extension application. Similar to the first application, this extension would see the mine extended up to within a few kilometres of the Forestville town. It will also see the protected woodlands integrated into the open-cut coalmine site. The hearing extended for several days and was open to the public to make submissions and comments. A large public hall was used for the hearing and several hundred people
were in attendance, particularly on the first day when speakers filled up seats and a cohort of mostly mining staff occupied the standing area of the hall.

At the final hearing, the PAC heard from several hundred speakers representing all sections of corporate, community and government. Direct observation on the day indicated that speakers presented on topics that mirrored topics raised in participant interviews during the case study, however there were various new insights. For instance, many of the speakers who presented in favour of the MM mine extension did so by focusing on the community benefits and corporate social responsibility policies of MM mining. It was also reported by the Forestville Community group that the voluntary SIA promised by MM Mining had indeed been conducted, but upon finding negative outcomes, the final SIA report was not handed over to the Commission.

At the end of 2015, the PAC made its final determination on the MM Mining extension. The extension plan was given final approval to move ahead. The Commission noted in the executive summary of their determination report, that MM Mining had developed a voluntary community contribution plan that totalled $11 million. The Forestville village would receive over $5 million to fund improved public facilities such as water and sewage. The Commission also noted that the legislation changes that prioritised economic benefit of proposed mining projects had been reversed at the same time at which the Commission’s determination was handed down. This meant that the original mine planning legislation was reinstated; hence economic, environmental and social outcomes would need to be balanced in assessing a future mining application. However, the timeline of events indicates that much of the deliberation on the MM mine extension was carried out under the fast-tracked legislation that prioritised economic benefit over environmental or social cost. It was unclear in the final report whether the reversal of this legislation had any particular weight in the Commission’s decision. Furthermore, the Commission emphasised that Forestville would be protected by the conditions stipulated in the approval with regards to noise, air and dust pollution.

This ruling meant that a small number of near neighbours in Forestville would receive compensation for their homes. Neighbours outside of this area would not receive financial compensation but rather would be provided with pollution mitigation measures. For these community members, the open-cut mine site will operate around 2000 metres from their homes. Despite MM Mining’s approval, the Forestville
community have continued their fight as at the time of writing. The community continue protesting, threatening direct action against MM Mining and have called on the Premier of NSW to step in and save their community. More recently, members of the Forestville community were funded by supporters to fly to MM Mining headquarters in Australia in order to confront senior leaders of MM Mining about the extension.

2.3 Summary of MM Mining context

MM Mining’s history of CSR activity suggests that it has played a role in shaping CSR practice and standards at a global level. Its involvement in the UNGC is a key factor, making MM Mining a relevant case study for exploring PCSR as theorised in Scherer and Palazzo’s framework (2011). Their annual reporting, required by the UNGC, provides useful material for understanding how PCSR operates in a multinational corporation. However, critics have questioned the validity of these annual reports as well as the extent to which they abide by their own code of conduct (e.g. Banerjee 2010). The unique context of CSR in Australia includes consideration of indigenous communities and relationships with government and media, all relevant considerations especially for MM Mining.

The mine extension controversy involved prolonged and public conflict between MM Mining, local residents, and the state government. Despite the majority of submissions being opposed to the mine extension, the PAC gave approval for the initial extension plan which included previously protected rare native woodland, which would significantly impact upon the amenity of the neighbouring town. The community rallied in protest and sought an overturning of the approval. MM Mining appealed to the Supreme Court with the support of the state government. The Court upheld the overturning of the approval.

The state government then sought to change mine planning legislation such that greatest consideration would be given to economic benefits of proposed mining projects, outweighing social and environmental impacts. At stake was an extra $680 million in royalty payments that the mine extension would provide to the state government.

After passing this legislation MM Mining’s new application was fast tracked through the approval process. Secrecy and coercion by the corporation appeared to
undermine the community consultation process. Ultimately MM Mining gained approval of its original extension plan, but also committed to contribute $11 million to the local town for public infrastructure and amelioration of impacts of the mine extension. At the same time, the legislation pertaining to the mine approval process was reversed so that environmental and social considerations were once again to be balanced alongside economic benefits. At the time of writing, the community continues to protest the mine extension.

This case study is ideal for examining contemporary PCSR theory and practice. MM Mining’s CSR context reveals their strong support and collaboration with PCSR initiatives such as the UNGC, along with their various local level CSR pursuits. On the other hand, the CSR history was complex as the company was also concomitantly seen to engage in activities seen as irresponsible, such as lobbying against land rights laws in Australia. The case of the mine extension is both complex and highly politicised and as a result offers the opportunity to look in-depth at how PCSR may operate in the Australian mining context.
Table 1: Timeline of events for MM Mining case context

<table>
<thead>
<tr>
<th>Month</th>
<th>Activity</th>
<th>Actor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct 2012</td>
<td>Application for MM Mining extension first lodged</td>
<td>MM Mining</td>
</tr>
<tr>
<td>Feb 2013</td>
<td>MM mining extension application approved</td>
<td>Planning and Assessment Commission</td>
</tr>
<tr>
<td>April 2013</td>
<td>Appeal against the approval lodged to Land and Environment Court</td>
<td>Forestville Community Association</td>
</tr>
<tr>
<td></td>
<td>MM Mining extension application refused</td>
<td>Land and Environment Court</td>
</tr>
<tr>
<td>June 2013</td>
<td>Meetings between MM Mining executives and NSW State Government</td>
<td>MM Mining and NSW State government</td>
</tr>
<tr>
<td></td>
<td>Appeal against Land and Environment ruling lodged</td>
<td>MM Mining and NSW State government</td>
</tr>
<tr>
<td></td>
<td>Land and Environment Court ruling upheld</td>
<td>Court of Appeal</td>
</tr>
<tr>
<td>Sept 2013</td>
<td>Land Protection Zone Agreement nullified</td>
<td>Minister of Planning</td>
</tr>
<tr>
<td>Nov 2013</td>
<td>Mine Planning Legislation amended to prioritise economic outcomes</td>
<td>Department of Planning and Infrastructure</td>
</tr>
<tr>
<td>March 2014</td>
<td>New MM Mining extension application lodged</td>
<td>MM Mining</td>
</tr>
<tr>
<td>Nov 2014</td>
<td>MM Mining extension application under review</td>
<td>Planning and Assessment Commission</td>
</tr>
<tr>
<td>Dec 2014</td>
<td>Public Hearing on MM Mining extension application</td>
<td>Planning and Assessment Commission</td>
</tr>
<tr>
<td>Feb 2015</td>
<td>Public Hearing on MM Mining extension application</td>
<td>Planning and Assessment Commission</td>
</tr>
<tr>
<td>March 2015</td>
<td>Review report released with recommendations for Minister</td>
<td>Planning and Assessment Commission</td>
</tr>
<tr>
<td>June 2015</td>
<td>Public meeting on MM Mining extension application</td>
<td>Planning and Assessment Commission</td>
</tr>
<tr>
<td>July 2015</td>
<td>Mine Planning Legislation is under review – would repeal clause to prioritise economic factors and reinstating balance of economic, social and environmental</td>
<td>Department of Planning and Infrastructure</td>
</tr>
<tr>
<td>Aug 2015</td>
<td>MM Mining extension review under reviewed Mine Planning Legislation</td>
<td>Planning and Assessment Commission</td>
</tr>
<tr>
<td>Sept 2015</td>
<td>Public Hearing on MM Mining Extension under reviewed legislation</td>
<td>Department of Planning and Infrastructure</td>
</tr>
<tr>
<td>Oct 2015</td>
<td>Second review report released on MM Mine Extension</td>
<td>Planning and Assessment Commission</td>
</tr>
<tr>
<td>Nov 2015</td>
<td>MM Mine Extension approved</td>
<td>Planning and Assessment Commission</td>
</tr>
<tr>
<td>Dec 2015</td>
<td>First protest held in Sydney CBD against approval</td>
<td>FCA and members of public</td>
</tr>
<tr>
<td>July 2016</td>
<td>Direct action against MM Mining near mine site</td>
<td>FCA and members of public</td>
</tr>
</tbody>
</table>
Chapter 3 - Literature Review

3.1 Introduction

A literature review is generally written to create a theoretical basis from which the current research emerges. This occurs by identifying research issues and limitations that previous studies have not addressed (Perry 1998). The literature review aims to identify the research problem and demonstrate the link between the current study and the literature. The overall field of CSR is interdisciplinary, stemming from work within management, marketing, accounting, ethics, political sciences, communications and others (Carroll 1999). My review emphasises the management literature, as business managers are the frontline decision-makers and remain the target of much CSR work (Carroll 1979; Windsor 2006). However, as this study employs a critical CSR approach with a focus on political CSR, this necessitates consideration of the political sciences. This chapter will therefore deal with a number of CSR research streams within the wider management studies.

This chapter will review several bodies of research related to CSR. In order to understand the core gaps that my study will address, I will: overview the chronology of works on CSR development, identify key phases and categories within the literature, examine the major theoretical contributions to CSR, clarify the core gaps and unpack the assumptions behind the existing literature. This approach is necessary to develop the proposed theoretical framework that will be presented at the end of the chapter. In summary, the key objectives for the chapter are:

- define CSR and the major theoretical contributions
- overview and critique the literature respective to key theoretical approaches
- define the research gaps related to the review
- develop research questions that emerge from the identified gaps
- define the theoretical model that will form the basis for answering the research questions.

3.2 Categorisation of CSR

As described above, the research on CSR offers an array of perspectives and approaches (see Windsor 2006). In order for this literature review to effectively situate this study in the appropriate context, this section will examine the seminal works that
underpin this review along with their authors’ respective theoretical positions on CSR. The key terminology used throughout this study will also be clarified.

In the literature, one of the most prominent approaches to CSR is instrumental, which tends to describe what a business should do for economic results. On the other hand, normative papers seek to describe what a corporation ought to do using a moral or ethical argument (e.g. Carroll 1979; Freeman 1984). Strategic papers build a business case and are closely related to instrumental CSR research. During this review, descriptive CSR research will also be discussed. Descriptive CSR forms empirical evidence based on various approaches to CSR. The descriptive research category is focussed on describing what is done and typically this research builds empirical data and may draw on a variety of theoretical approaches (e.g. Clarkson 1995; Gilberthorpe & Banks 2012). Critical perspectives of CSR, including political CSR, are a more recent development, and form the underpinnings for this study and the corresponding theoretical framework. These will be introduced in the latter stages of this chapter. Table 2 below describes the four CSR research categories under examination as well as the concepts that are closely related.

The literature employs various key terms such as corporate social responsibility, corporate social performance (CSP) and corporate citizenship (CC), often interchangeably. This chapter will seek to untangle the lack of clarity around these concepts. Overall, I employ the term CSR as an umbrella and borrow from the generic definition of CSR as activity that goes beyond legal requirements of the business (Dunham et al. 2006). Detailed breakdown of different definitions will occur in the coming section. This review contains three main parts, the first part reviews instrumental and normative CSR research. The second part reviews stakeholder and later strategic CSR research. The last section reviews critical and political CSR research.

3.3 Instrumental and normative CSR

This section follows a thematic approach to review the emergence of both instrumental and normative CSR. Key phases of the literature are outlined and explored. The phases discussed in this section will overview several themes: emergence of early CSR, debate over CSR, defining CSR, empirical analysis of CSR and the movement into stakeholder theory. In reviewing the most pertinent theoretical
contributions to instrumental and normative CSR literature several models will be examined, these models include: Wartick and Cochran’s (1985) model, Carroll’s (1979) three-dimensional CSP model, Freeman’s (1984) stakeholder theory, and Wood’s (1991) three levels of CSR. Again, the core gaps will be highlighted throughout the review and will be summarised in the last section.

3.3.1 Emergence of CSR

CSR research largely emerged during the 1950s in the United States of America with a focus on business ethics and philanthropy (Bowen 1953). While the social obligations of business had been noted in publications during the 1930s and 1940s, landmark research began with Bowen’s publication Social Responsibilities of the Businessman in 1953. Bowen’s publication stemmed from his awareness that a few hundred of the world’s largest businesses were key powerbrokers and decision-making entities widely affecting citizens’ lives. Bowen asked the fundamental question “what responsibilities to society may businessmen reasonably be expected to assume?” (1953, p. xi). The gender bias of his statement aside, his query remains relevant to this day. Bowen’s answer to his query was that businesses are obligated to “pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (1953, p. 6). Importantly, Bowen’s work retains significance particularly for the resurgence of politicised versions of CSR that were to follow, according to Mäkinen and Kourula (2012, p. 660)

By explicitly evaluating the responsibilities of the businessman in different political systems and adopting a rather pluralistic view, Bowen’s work becomes a foundation for later research on political CSR.

According to Matten, Crane and Chappel “much of the seminal work on CSR was largely normative in nature with the main focus being on the definition of the boundaries of responsibility of business” (2003, p. 110). Early normative authors such as Davis (1973) instigated significant work on CSR theory. Early CSR research left its defining concepts often ambiguous and open to subjective interpretation. Due to this subjective nature, opposition of CSR readily occurred. CSR opponents were armed with pragmatic justification against CSR (Davis 1973). Furthermore, normative CSR was highly contentious given it stood in stark contrast to dominant economic approaches at the time. This contention resulted in a lively debate, which will be explored in some depth in the coming paragraphs.
3.3.2 Debate over CSR

Early CSR was received with scepticism; it was often perceived as a threat against the free market system. The growing movement against CSR was amplified with Friedman’s seminal text entitled *The Social Responsibility of Business is to Increase its Profits* (Friedman 1970). Friedman proclaimed a purely economic doctrine for the free market system and contested that the firm may only contribute to public good via its opportunities for employment and provision of services. He labelled CSR practice as theft, political subversion and “pure unadulterated socialism” (1970, p.122). He made this claim on the basis of two central ideas. Firstly, CSR may misappropriate resources from their rightful owners or claimants onto other beneficiaries. Secondly, CSR may misallocate resources into purposes for which they are not best suited. As I will explore, the prominence of the economic doctrine influenced the emergence of instrumental CSR and similarly shifted focus of CSR away from social outcomes toward economic goals.

As a legacy of hard-line economic arguments against CSR (e.g. Friedman 1970), a conception of CSR where economic priorities outweigh concern for society began to dominate research. Ultimately this reflected the shareholder approach espoused by Friedman, however, in some cases it took account of social issues if they occurred in the interest of the business. This set the stage for the development of shared value creation (Porter & Kramer 2006) and strategic CSR (Orlitzky et al. 2003). Numerous authors refer to CSR in ‘win-win’ scenarios (e.g. Jenkins 2005; Lantos 2001). A win-win scenario refers to a CSR action that results in payoff for the company, for example, investing in local infrastructure may in turn garner greater community support for a mining firm to expand its operations.

Some of this early controversy was dealt with by the Committee for Economic Development (CED). The CED represented senior business and university leaders in the United States of America. In 1971, they published *Social Responsibility for Corporations*. The CED noted the growing public awareness of inequality and social injustices occurring parallel to unprecedented business profits. As a result, they encouraged business managers to engage with evolving spheres of social responsibilities, whilst keeping economic functions as priority. The CED posited their position on the basis that ‘business functions by public consent and its basic purpose
is to serve constructively the needs of society—to the satisfaction of society’ (1971, p. 11).

The CED (1971) advocated for a three-sphere model, of economic, social and value-driven responsibilities for business. Their model purported that the most central function of the business responsibility is effective economic function and growth. The next sphere of responsibility ought to be the business having awareness of social values such as environmental issues. The third sphere (of least priority) is defined as newly emerging social values or responsibilities such as the social environment surrounding the business. This initial work from CED reflected the beginning of an overwhelming focus on instrumental CSR in research and practice. The growing emphasis on economic over social goals was antithesis to the initial moral reasoning purported by normative CSR.

Davis (1973) also responded to the increasing conflict over CSR with *The Case For and Against Business Assumption of Social Responsibilities*. Davis noted the move toward self-regulation through CSR as a method for business to reduce the need for government regulation. Most of his arguments supporting CSR centred on sustained profitability, strategic self-interest, public relations or cost reductions. He also presented arguments against CSR including: lack of accountability, increasing business power in society, lack of support and increased costs. By the mid 1970’s a spate of views surrounded CSR conceptualisations, ranging from: economic doctrine (Friedman 1970); evolving spheres of responsibility (Carroll 1979); voluntary, legal and economic activities (Pinkston & Carroll 1993); going beyond profits (Davis 1973) and social responsiveness (Royal Commission on Corporate Concentration 1977). The debate over CSR overwhelming led to a strengthened focus on economic objectives of CSR, the instrumental approach.

3.3.3 Empirical analysis of CSR

The focus on instrumental CSR also occurred within the empirical literature. Between 1972 and 2002 there were 127 studies that assessed the link between CSP and financial performance. Of these 127 studies, 105 studies focussed solely on financial gain (Margolis & Walsh 2003). While empirical validation is a worthwhile goal, the recurring issue in empirical CSR literature is a focus on economic outcomes and a lesser focus on social impacts of corporate activity. While early research set the
scene for instrumental CSR, there was also a small body of work exploring key theoretical models. In the following paragraphs I will overview the sparse empirical literature that explored the seminal CSR models. This includes: theoretical frameworks, definitions of terms, operationalisation of variables, limitations and outcomes.

Early empirical studies utilised the CSP model of Preston (1977 in Preston 1988) which focussed on categorising the four stages of managerial responses to social issues. The Canadian Royal Commission on Corporate Concentration (RCCC) conducted the first application of Preston’s model in 1977. In 1983 Clarkson also began empirical studies, again based loosely on the model of Preston (1977). The ambiguity in Preston’s framework quickly became clear in these studies, for example no clear definitions existed for defining or categorising a social issue. Clarkson made assumptions to compensate for the ambiguous model, however the introduction of normative assumptions influenced the building of a CSR framework from the start. Overall, these earliest studies sought to build descriptive evidence for CSR, however the ambiguity of the concepts in the model meant significant limitations and thus yielded ineffectual results (Clarkson 1995). These ambiguities will be further unpacked throughout this review. It is important to note that the earliest work on CSR centred on ‘managerial perspectives’ toward social issues. This is an important feature of dominant CSR models reflecting corporate-centric approaches.

In 1979, Carroll introduced the three-dimensional model of social performance and this remains a key contribution to this day. Carroll (1979) argued that CSR contains four distinct parts, economic, legal, ethical and discretionary. The features (in order of prioritisation) create a four-part framework that describes how business should attend to competing concerns. Again, the ordering of economic priority reflects the dominating instrumental approach. Carroll’s framework was designed as a “step toward understanding the major facets of social performance” (p. 503). The notion of CSP adds an additional two layers to the one-dimensional conception of CSR. Carroll describes these additional layers as: (1) the social issues requiring a response and (2) the corporation’s style of responsiveness from non-active to proactive. In all, the three dimensions of CSP are: corporate social responsibilities, social issues and corporate social responsiveness.
While Carroll’s three-dimensional model of CSP (1979) was a significant development for the field, the model utilised a complicated system that proved difficult to operationalise for business. In 1985 Wartick and Cochran responded to Carroll’s model with their translation into a three-part framework of principles (social responsibility), processes (social responsiveness), and policies (social issue management). These two models underpin many CSR works to this day (e.g. Aguinis & Glavas 2012). However, as described earlier, there are significant limitations in the validation of these models. Some of these limitations were brought to light with the empirical work of Clarkson (1995). These limitations will be detailed in the coming paragraphs.

Clarkson (1995) looked to empirically validate the models of both Carroll (1979) and Wartick and Cochran (1985). Clarkson sampled over 50 corporations in America through a process of over 70 fieldwork studies from 1983 to 1993. His studies collected data ranging from: “policies, programs, and issues concerning the social and physical environments, public affairs and government relations, community relations and charitable donations, employee relations, and human resource management as well as customer and shareholder relations” (1985, p. 97). He sought to overlay his datasets with the key models and definitions CSR. Despite the popularity and influence of Carroll’s four-part CSR model, the four dimensions (economic, legal, ethical and philanthropic) proved difficult to define or translate into the real world of business. For example, the ethical and discretionary responsibilities described in Carroll’s model could not be related to any corporate data, with the exception of ‘corporate codes’ that were ambiguous and potentially served as ‘window dressings’ rather than CSR action.

Clarkson’s study (1995) also showed incongruence with the three-dimensions described by Wartick and Cochran’s model (1985). The three dimensions (social responsibility, social responsiveness and social issues) did not fit with the empirical data. For example, in collating and categorising the data, Clarkson was unable to classify the data by the three dimensions of the CSP model. Clarkson reflected, “the classifications of the model were not grounded in the realities of corporate practice” (p. 97). Moreover, the Wartick and Cochran model showed a limited scope for addressing social issue responses outside of policy and programs, as this was the only definition offered by their model. Overall, the Wartick and Cochran model showed
significant variance from the way corporations were managing their responsibilities without vast improvement on the Carroll (1979) model.

Clarkson’s research (1995) made a significant contribution toward understanding the utility and limitations of CSR theory. Clarkson lamented the ambiguity surrounding CSR concepts; he stated that “no definition of social responsiveness provides a framework for the systematic collection, organization, and analysis of corporate data” (1995, p. 96). Clarkson (1995) argued that the vague distinctions surrounding the defining features of CSP were at fault.

The principal reason for this failure has been the lack of clarity about the appropriate level of analysis. This failure together with the confusion and misunderstanding about the definition and meaning of corporate social responsibility, corporate social responsiveness, and corporate social performance (p. 102).

Clarkson’s empirical data did not fit with the dominant models of CSR or CSP at that time (1995). The reasons behind this relate to the key gaps of CSR literature: the lack of empirical validation for theory, the ambiguity of CSR concepts, and the dominance of instrumental focus. Clarkson’s study looked to validate CSR and CSP, but data did not support either model. In fact, Clarkson’s data corresponded more closely with the concepts of stakeholder management (Banerjee 2008a). Clarkson’s empirical work brought into focus the utility of stakeholder theory in explaining corporate action. Stakeholder theory is another important body of literature I will explore in the coming section.

### 3.4 Stakeholder theory

Stakeholder theory (Freeman 1984) is a significant addendum to CSR research. While my research does not specifically employ a stakeholder perspective, the concept remains one of the most dominant approaches to CSR as it has significantly shaped the field (e.g. Freeman & McVea 2001), hence this section will offer a brief overview of the significance of stakeholder theory to CSR research. Stakeholder theory language permeates most corporations CSR agendas. In the coming section I will review the literature on stakeholder theory and in particular, emphasise the relationship between CSR and stakeholder theory, the movement toward instrumental versions of stakeholder theory, and the limitations of stakeholder research relative to CSR research.
Stakeholder theory is one of the most influential and applied approaches for CSR (e.g. Phillips 1997). Freeman (1984) contended that business should be managed for the benefit of stakeholders rather than just shareholders. His theory looked to actively integrate stakeholders’ needs into the business model. Stakeholder theory defines stakeholders as “persons or groups with legitimate interests in procedural and/or substantive aspects of corporate activity. Stakeholders are identified by their interests in the corporation, whether the corporation has any corresponding functional interest in them” (Donaldson & Preston 1995, p. 67). Freeman aimed to define stakeholder in a broad sense. However, his definition requires a ‘legitimate’ interest on the individual’s behalf. The requirement of legitimacy raises questions around what defines legitimacy, who ought to measure an individual’s legitimacy, and how? Freeman (1984) developed stakeholder theory by affirming the notion that managers have a broader scope of responsibility than to shareholders. A stakeholder approach infers that managers must develop and execute processes that satisfy all actors with a stake in the business. This means accounting for shareholders, employees, customers, suppliers, government, communities, activists and other groups (Freeman 1999).

Stakeholder theory views the firm as a series of competing and mutual relationships, a constellation of multilateral contracts (Donaldson & Preston 1995). While the manager’s role lies in effective decision-making between multiplicities of interests, the stakeholder has been identified as having three roles to play. The stakeholder sets expectations about the behaviour of the firm, the stakeholder experiences the impacts of the behaviour of the firm, and the stakeholder evaluates the behaviour and impact of the firm (Wood 1991; Wood & Jones 1995). Wood (1991) indicates a variety of issues tackled under the stakeholder banner of research, these include: corporate philanthropy, community relations, international stakeholder management, multiple stakeholder management, corporate social reporting and stakeholder uptake of social reporting.

According to Mitchell, Agle and Wood (1997) a stakeholder’s salience can be measured by their perceived legitimacy, urgency and power. In this sense power relates to influence on the organisation, legitimacy refers to appropriateness and desirability of the relationship and action of the stakeholder, and urgency as the level of criticality in their claims (Mitchell et al. 1997). Business managers make the judgements on these three factors. Where stakeholders are perceived to possess high levels of all three
actors they are deemed ‘definitive stakeholders’ and take higher priority than others. This approach has important implications for the current study and the ongoing work on theorising CSR.

Stakeholder theory initially advocated for the integration of stakeholder demands into the business (Freeman 1984), however, the theory quickly moved to integrate instrumental concerns (e.g. Post et al. 2002). While the stakeholder approach may initially appear to challenge the shareholder model of business, the economic rationale of the shareholder model has overwhelmingly influenced stakeholder theorising (Wood & Jones 1995). This has led to an economic focus in the research (e.g. Jones 1995). For instance, companies may focus on prioritisation and ‘management’ of stakeholder interests in order to gain access to resources or land (Gilberthorpe & Banks 2012). ‘Stakeholders’ thus can become extraneous factors to be ‘managed’ rather than engaged. As Banerjee mentioned argued, “the stakeholder theory of the firm represents a form of stakeholder colonialism that serves to regulate the behavior of stakeholders” (Banerjee 2008a, p. 72). In this way, stakeholder CSR can become an instrumental tool for protecting and growing the bottom line, rather than serving community interests.

While the notion of ‘stakeholder’ permeates much CSR discourse, the instrumental approach may still override social outcomes. As Gilberthorpe and Banks (2012) described the stakeholder approach may be used to ‘buy’ community support and pacify resistance. Further, the impact on marginalised stakeholders remains largely unchallenged within CSR literature (Gilberthorpe & Banks 2012). There is a distinct lack of descriptive research available (Gioia 1999). Gioia stated that research moves from conceptualising to conceptualising, with normative theorists posturing ideas but failing to validate their ideas (1999). The limited availability of descriptive data is a key gap in the stakeholder research. This gap relates to the limitations in wider CSR literature in terms of scarce descriptive research. In order to understand the ongoing effects of the instrumental approach, I will now review the more recent revival of instrumental approaches to CSR.

3.4.1 Instrumental CSR revived

In recent years, numerous authors have revived an instrumental approach to CSR, which views it as a source of competitive advantage or strategic imperative (e.g.
Carlisle & Faulkner 2004; Husted & de Jesus Salazar 2006; Lantos 2001; Lewis 2003; Orlitzky et al. 2003). In 2003, Orlitzky, Schmidt and Rynes undertook a major meta-analysis of CSP and financial performance data. Their results show some positive correlations between CSP and financial outcomes. These outcomes are widely cited as evidence for the value of utilising CSR as a tool for bottom line growth and has spurred on a revitalisation of the work on instrumental CSR.

Concomitantly, there was also a rise in the popularity of the ‘social license to operate’ concept (SLO), particularly in the research on mining (Prno & Slocombe 2012). There are various working definitions of the concept of SLO, but it is generally agreed that SLO is an informal system of acceptance or consent granted by society to the operations or activities of a company (Thomson & Boutilier 2011). Various critics of the SLO concept point out that it serves an instrumental purpose. For instance, according to Owen and Kemp (2013) “social license has emerged as an industry response to opposition and a mechanism to ensure the viability of the sector”. In this sense, SLO mimics instrumental CSR in that it can serve to create or enhance shareholder value, in this case, by securing access to resources or land.

Porter and Kramer (2006) proposed shared value creation (SVC) as a concept that may supersede instrumental CSR. The authors defined SVC activities as practices that simultaneously benefit both corporations and community (win-win scenarios). They advise companies to select social issues that intercede with their core business, judging social initiatives not by their worthiness or morality, but by their potential to create shared value. The authors conceded that where both value chain practice and competitive environmental investments are integrated, creating shared value becomes part of business-as-usual. In this way, businesses can develop a symbiotic relationship with communities and corporations mutually benefiting one another. According to Porter and Kramer’s view (2006) in the long term a healthy and prosperous community will best support the ongoing growth and success of a corporation.

This symbiotic view underpins Porter and Kramer’s business case for shared value creation (Porter & Kramer 2002). That is, the competitive environment required for successful business operations: “Ultimately, a healthy society creates expanding demand for business, as more human needs are met and aspirations grow” (Porter & Kramer 2002, 2006). Porter and Kramer leverage some important assumptions in order to make these claims. For example
If governments, NGOs, and other participants in civil society weaken the ability of business to operate productively, they may win battles but will lose the war, as corporate and regional competitiveness fade, wages stagnate, jobs disappear and the wealth that pays taxes and supports non-profit contributions evaporates (p. 86).

Porter and Kramer’s (2006) assumption of a “war” between corporate and civil actors is a questionable sentiment, seemingly at odds with their description of the intrinsic interrelatedness and mutual dependence of the two groups. The authors’ assumption that corporations are the sole providers of wage increase, tax payments and non-profit contributions is also a problematic argument, particularly given research suggests high levels of tax avoidance throughout multinational corporations (e.g. Christensen & Murphy 2004) even where the corporation claims good CSR practice (Sikka 2010).

Porter and Kramer (2011) argued that SVC can provide a way forward for capitalism. The authors argued that capitalism can progress by managers developing a broader skillset and knowledge base around social needs and company productivity, along with the capacity to better integrate for-profit and non-profit goals “and government must learn how to regulate in ways that enable shared value rather than work against it.” (2011, p. 4). Porter and Kramer’s perspective points to key assumptions that can be addressed in part by political CSR. Firstly, the authors pointed at a change in the core functioning of the firm’s role in society — integrating social and economic spheres. Secondly, the authors placed the responsibility for this on the companies themselves. Thirdly, the authors recognised that existing governance systems are not suited to regulating this changing role of the firm.

The integration of social and economic spheres is a complex proposal. Research indicates that these two goals may work in opposition and thus cannot be complimentary with one another (Aupperle 1984, cited in Wood & Jones 1995). Porter and Kramer overcome this tension by not addressing it in detail (Crane et al. 2014). However, this is a challenge taken up in the political CSR literature (e.g. Scherer & Palazzo 2007; 2011; Scherer et al. 2009). The proposed expanded role of responsibility calls for a self-regulation approach, which in turn diminishes capacity of government systems to regulate corporate activity. However, the authors still recommend governments better regulate these activities. Self-regulation and government regulation are complex and interrelated systems. They may impinge on one another
and certainly do not occur in a vacuum, particularly in a globalised world (Margolis & Walsh 2003). Lastly, Crane et al. stated “Porter and Kramer are seeking to solve a system-level problem (the crisis of capitalism) with merely organizational level changes” (2014, p.142). The critique delivered by Crane et al. point to wider issues in the conceptualisation of CSR overall. These issues will be reviewed in the coming section.

Table 2: Categorisation table for CSR literature

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<thead>
<tr>
<th>CSR Category</th>
<th>Related terms</th>
<th>Key Authors</th>
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<tbody>
<tr>
<td>Instrumental</td>
<td>Instrumental CSR</td>
<td>Jones (1995)</td>
</tr>
<tr>
<td></td>
<td>Strategic CSR</td>
<td>Orlitzky, Schmidt and Rynes (2003)</td>
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<tr>
<td></td>
<td>Shared value creation</td>
<td>Porter and Kramer (2006)</td>
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<tr>
<td></td>
<td>Enlightened self-interest</td>
<td></td>
</tr>
<tr>
<td>Normative</td>
<td>Normative CSR</td>
<td>Bowen (1953)</td>
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<tr>
<td></td>
<td>Stakeholder CSR</td>
<td>Wartick and Cochran (1985)</td>
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<td>Carroll (1979)</td>
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<td>Wood (1991)</td>
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<tr>
<td>Political</td>
<td>Political CSR</td>
<td>Scherer and Palazzo (2011)</td>
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<td></td>
<td>Corporate citizenship</td>
<td>Matten and Crane (2005)</td>
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3.5 Limitations of instrumental CSR

Key gaps emerge from the earliest CSR work and these gaps recur throughout later research. Instrumental CSR research relies on numerous assumptions, which will be brought into question throughout this section. The earliest CSR research was impeded by a distinct lack of empirical validation of theory and models. This lack of validation has not been sufficiently addressed in later research. The gap in validation indicates a divide between what theory says and what business does (Gioia 1999). Keystone models such as Carroll (1979) were not validated, but are often employed in ongoing research, particularly in instrumental CSR (e.g. Lantos 2001). In this way, the body of CSR research can be seen to move from theorising to theorising (Windsor 2006).

Instrumental CSR literature, it is argued, often fails to investigate the implications of the assumptions upon which it relies (e.g. Husted & de Jesus Salazar 2006). The assumptions underpinning instrumental CSR research include the clear
separation of state and private enterprise, and the assumption of intact governance systems, the profit maximisation imperative of business, and the shared value imperative that only considers social responsibility in relation to profit. Scherer and Palazzo define these three premises as the ‘economic view of CSR’ (2011, p. 904). However, the instrumental view of CSR does not strictly propose a view of the firm as an a-political actor, rather, it implicitly rests upon a classical liberal view of society and the division of labour (Mäkinen & Kourula 2012).

The assumptions of the ‘economic view of CSR’ are apparent across much of the instrumental and strategic CSR literature. For example, proponents of strategic CSR stake the claim for SVC, without clarifying the circumstances in which SVC is plausible, or indeed what course of action ensues when the circumstances are not ideal. As Banerjee (2010) pointed out, ‘win-win semantics’ only serve individuals with agency to participate within these parameters. Individuals who are unable to participate may be further marginalised from CSR dialogue. Their marginalisation may be legitimised under the banner of CSR. This is an issue present within stakeholder-based CSR research and has been found in previous research on MM Mining (citation withheld).

Strategic CSR literature also fails to examine social implications of the suggested symbiotic society–business relationship model (Porter & Kramer 2002). Strategic CSR programs may be seen to generate political power and build a sense of legitimacy for the business, however there is insufficient evidence to suggest CSR ‘talk’ translates into positive social outcomes (Coronado Suzán & Fallon 2010). This underlying tension between the social and economic parameters was raised by Margolis and Walsh (2003) who stated that

A preoccupation with instrumental consequences renders a theory that accommodates economic premises yet sidesteps the underlying tensions between the social and economic imperatives that confront organizations (p. 280).

The dominance of instrumental CSR literature has also had significant impacts on the quality and breadth of research in the field. An instrumental focus has marginalised the social goals of CSR. Most authors assume CSR creates positive social change as it claims (Aguilera et al. 2007). Yet, social outcomes examined in the literature rarely account for community stakeholder perspectives of their experience (Aguilera et al. 2007). Furthermore, the ongoing instrumental CSR research seeks to
embed social outcomes within economic. The underlying assumption here is that economic development is tantamount to social development. This view perpetuates a purely economic conception of the firm and renders some stakeholders invisible. Furthermore, this approach is considerably limited with relation to the expanding role of the firm in society, which is a theme addressed in the critical CSR literature (Palazzo & Scherer 2006).

Lastly, the ambiguity of concepts and terms has not been well addressed in the literature, leading to major limitations in empirical research. This was covered in the work of Clarkson (1995) who found that both seminal CSR models (Carroll 1979; Wartick & Cochran 1985) were significantly limited in their practicability. In particular Clarkson lamented the “inclusive and vague meaning of the word social” within the CSR research (1995, p. 102). In practice, corporations often use the terms stakeholders, community and society interchangeably, making it difficult to specify whom they are to be responsible for, as well as how and why they made that decision (Kapelus 2002). The notion of community is also a complex and fluid one, with a community’s identity being related to different traits in different times (Duarte 2010). Research has demonstrated that corporations may focus their energies on the most politically powerful representatives within a community in order to legitimise and gain support for their actions (Gilberthorpe & Banks 2012). In this way, other members of the community may be dislocated or disenfranchised.

Dunham, Freeman and Liedtka (2006) articulated the ‘problem of community’. They expressed that such an ambiguous concept makes it difficult to know for whom a corporation ought to be responsible, and as such impossible to measure whether such an outcome was achieved. Further, the move toward generalising the notion of community and ‘casting a wide net’ around stakeholder groups may further marginalise less-heard voices in the community. Dunham et al. deal with this contention in two ways, firstly they defined four categories for community membership: communities of place, communities of interest, virtual advocacy groups and communities of practice. Lastly, the authors cited a more nuanced and localised approach, a “names and faces orientation” to understanding highly specific and particular stakeholder needs (2006, p. 36). Indeed, this approach appears worth exploration, however it is yet to be applied in CSR research.
The ambiguity of terms has left CSR open to misinterpretation and misuse. In particular, ambiguity coupled with an instrumental focus, renders CSR and stakeholder approaches open to be used as a tool for economic gain, eschewing social impact (Gilberthorpe & Banks 2012). This issue has led to various authors calling for an improved focus on the social implications of CSR (e.g. Margolis & Walsh 2003). This call is also articulated in the work of Banerjee (2010), who stated

Instead of seeking answers about whether CSR improves profitability we need to ask different questions: why are communities in different parts of the world protesting against corporations and governments … what is the role of the state and civil society in these struggles? (p. 272)

Systemic issues associated with CSR are also examined in the critical literature (Banerjee 2008b; Frynas 2008; Matten & Crane 2005). These largely relate to the flow on impacts caused by the expanded public scope of responsibility under CSR. As described by Margolis and Walsh (2003, p. 290)

Asking companies to advance educational reform, assist with reproductive health, and fund cancer research does give firms and their executives significant influence over public policy, typically considered to be the domain of elected officials. How do these investments affect the political sphere, most notably democratic processes and accountability?

In this sense, corporate responsibility may impinge on the responsibility (power) of traditional government (Reich 1998). These important considerations will be explored more thoroughly in the following section that reviews the shift toward critical CSR.

3.6 Critical approaches to CSR

This literature review has thus far focused upon the ‘economic view’ of CSR and its associated limitations. This review has also presented the case for taking a more critical approach with a focus on social impacts and systemic issues. In order to respond to these gaps, the coming section will review more critical perspectives toward CSR. Critical CSR research looks to account for the issues and limitations discussed in this review, as well as deconstructing assumptions about the firm’s role in society that are challenged or changed under advanced globalisation (e.g. Banerjee 2010; Margolis & Walsh 2003; Reich 1998). A critical CSR research agenda can be defined
as one which is both bottom-up and community-centric in understanding the implications of CSR (e.g., Banerjee 2010).

The coming section presents an overview of critical approaches to CSR theory. In the words of Crane et al. (2014)

This literature starts from the observation that corporations have become active players in the wider governance of societies and, most critically, at the global level, corporations are often involved in governance alongside governments. This strand of research sees companies in a situation where their decisions are not just related to the pursuit of economic goals, but also to the interests and rights of those who are governed by those decisions (p. 144).

In response to the growing influence of the firm, critical CSR authors call for enhanced regulation and governance (e.g. Banerjee 2010; Frynas 2008; Scherer et al. 2006). One such approach that responds to calls for greater governance of multinational and transnational organisations is the United Nations Global Compact. Nearly 5000 corporations have voluntarily agreed to the UNGC that outlines ten key principles of ethical business practice, as of 2016 (Aras 2016). Much research looks to governance models like the UNGC with optimism. For instance, according to Kell and Levin (2003) the UNGC is

a viable mechanism for partially filling the governance void of the global economy by engendering consensus around critical social and environmental crises and providing the means to ameliorate them through cooperative action. Furthermore, we argue that by facilitating transparency, dialogue, and the dissemination of best practices, the Global Compact effectively encourages the implementation of good corporate citizenship.

However, other scholars are less optimistic about the role of UNGC. For instance, Banerjee (2010) has pointed out that there are serious flaws in these systems. The UNGC contains no monitoring measures. Evidence shows that a number of UNGC signatories remain ‘idle’ in their stance and complacent with human rights abuses (Banerjee 2010). In this way, self-regulation mechanisms can become instrumental tools to legitimise unethical practice or to ‘whitewash’ human rights violations. Thus the notion of self-governance via CSR may be a pathway for corporations to remain ungoverned.
While this literature review has considered the impacts of the economic view of CSR, this review has not yet considered globalisation or the associated governance issues. These will be addressed here in the coming sections.

3.6.1 Globalisation

Globalisation is a major driver for the changing role of the firm in society, though the process by which this occurs is under debate (e.g. Whelan 2012). Both critical and political CSR research aims to account for this context (e.g. Margolis & Walsh 2003; Matten & Crane 2005; Scherer & Palazzo 2011). Scherer and Palazzo are key authors in this field. They centre their argument on globalisation and an emerging “post-national constellation”. The authors defined globalisation as “intensification of cross-border social interactions due to declining costs of connecting distant locations through communication and the transfer of capital, goods and people” (2011, p. 901). The spread of free market systems has meant unprecedented power for corporations. Globalisation has opened borders for trading and commerce, yet it has failed to define a set of regulations on these activities. On a global playing field, neither state governance systems nor international institutions wield enough power to regulate the global economy (Scherer & Palazzo 2011). This lack of regulation forms the backdrop for instrumental CSR practices. Within this context, self-regulation and strategic CSR may result in corporations not only ‘bending’ the rules but also setting and re-setting them.

There are two theoretical approaches to CSR that look to address the issues surrounding global governance: Corporate citizenship and Political CSR. Political CSR, in particular, draws on the notion of deliberative democracy, while corporate citizenship relies on the notion of liberal citizenship rights. The coming section will review these concepts in more detail.

3.6.2 Corporate citizenship

Corporate citizenship (CC) is one significant approach that emerges from recent CSR critiques (Matten & Crane 2005). CC refers to the role of the firm in administering citizenship rights in social, civil and political domains. While CC is often seen as a relatively new concept with growing popularity, it has been linked back to as early as the 1950’s (Edward & Willmott 2008). CC, in Matten and Crane’s terms, is a concept that recognises the reconfiguration of the business-society relationship in
relation to the shortcomings of the liberal citizenship model. Liberal citizenship is based on traditional power politics, where policy making occurs only through formal government processes. However, the liberal conception of politics has been strained under globalisation, with the erosion of clear governance boundaries as defined by the state. CC became popularised in the CSR discourse through businesses proliferation of the term in the 1990’s (Matten & Crane 2005). CC in its initial phase, was more or less the renaming of the traditional CSR model as established by Carroll (1979). This is demonstrated in Carroll’s paper (1999) in which he describes the ‘four faces’ of CC parallel to the four quadrants of CSR practice (economic, legal, ethical and philanthropic).

More recently, CC has been theoretically reframed and extended through the work of Matten and Crane (2005). The authors described the extended take on CC, which looks at the corporation in relation to its responsibility to administer citizenship rights

The role of the corporation in administering citizenship rights for individuals. Such a definition reframes CC away from the notion that the corporation is a citizen (as individuals are) and toward the acknowledgement that the corporation administers certain aspects of citizenship for other constituencies. These include traditional stakeholders, such as employees, customers, or shareholders, but also include wider constituencies with no direct transactional relationship to the company (Matten & Crane 2005, p.173).

The citizenship rights administered by the corporation can be described as social, civil and political. That is, the corporation is seen to provide social rights, enable civil rights and channel political rights (Matten & Crane 2005). Matten and Crane (2005) offer clear examples where social and civil rights are being supported by CC activities. These include the Nike and Levi Strauss cases where corporations utilise a citizenship framework to carry out government functions. These activities include education provision, medical care, enacting minimum wage standards, and providing infrastructure in the absence of government support.

Indeed, Matten and Crane’s (2005) model of extended CC better responds to the global and political role of the firm. However, CC is often used interchangeably with CSR in the literature (e.g. Valor 2005). The conceptual distinction of CC from other CSR concepts requires further clarification and empirical validation. The language of CC has declined recently, with a growing preference for CSR or sustainability
language (Edward & Willmott 2008). Other authors have suggested that CC is a redundant concept. A concept that would be better dispensed of in preference of theories that more effectively overcome the economic and political divide (van Oosterhout 2005). Emerging from the same backdrop as CC is the work on political CSR. Prominent CSR authors Scherer and Palazzo (2007, 2011; Scherer et al. 2009) have argued a strong case for the development of ‘Political Corporate Social Responsibility’ (PCSR) as an overarching term for “the responsibilities of business and its role in society” (Scherer & Palazzo 2011, p. 1096). Given the relevance of Scherer and Palazzo’s ideas to the current research, in the coming section I will briefly introduce their theory, before later detailing a theoretical framework and proposed model for this study.

### 3.6.3 Political CSR

Scherer and Palazzo (2011) argue that globalisation is a central feature in the shift toward a political CSR. They state that nation-states have not necessarily lost their power, but that global production functions are now occurring in locations that lack democratic rule or law. The authors cite Habermas (2001) who defined this process as the “post-national constellation” via two core tenets. First, it is marked by a shift in global production toward locations that are not clearly controlled by law or democracy, hence eroding democratic political authority. Second, the emergence of pluralistic values and norms has occurred under globalisation, hence societal expectations of ethics are less easily defined. This post-national constellation has significant impacts on the capability of traditional modes and methods of governance over corporate activity. Scherer and Palazzo (2011) argued that multilateral voluntary forms of global governance between civil, state and private actors have partly compensated this decline in governance.

While instrumental CSR defines the business sphere as primarily apolitical, PCSR identifies the firm as a significant political actor (Scherer & Palazzo 2007). The PCSR approach rectifies a number of limitations of instrumental CSR. Notably, it deals with the assumed separation of private and state actors. Within this approach, doing business is seen as a form of political action in and of itself (Edward & Willmott 2012). ‘Political’ in the context of PCSR refers to the involvement of civil society, government and corporate actors, this civil–corporate–government involvement is said to be communicative in nature (Habermas 1984; Young 2006). While there is some
diversity in contemporary conceptions of PCSR (Mäkinen & Kourula 2012), amongst all definitions of PCSR the central tenet is a more democratic approach to corporate governance.

By recognising the political role of economic actors, Scherer and Palazzo’s PCSR approach addresses the firm as an active global political actor (Palazzo & Scherer 2006). Scherer and Palazzo (2016) defined PCSR by stating (p. 276)

PCSR entails those responsible business activities that turn corporations into political actors, by engaging in public deliberations, collective decisions, and the provision of public goods or the restriction of public bads in cases where public authorities are unable or unwilling to fulfil this role. This includes, but is not limited to, corporate contributions to different areas of governance, such as public health, education, public infrastructure, the enforcement of social and environmental standards along supply chains or the fight against global warming, corruption, discrimination or inequality. These corporate engagements are responsible because they are directed to the effective resolution of public issues in a legitimate manner, often with the (explicit) aim of contributing to society or enhancing social welfare, and are thus not limited to economic motivations.

Corporate political activities have long been recognised in the literature (e.g. Hillman et al. 2004; Keim & Zeithaml 1986). In Australia there are several significant examples of the politicised role of corporations. For instance, the lobbying activities led by Rio Tinto against the Native Title Legislation (Dryzek 2010) and the minerals industry movement against a pending ‘super profits’ mining tax. Such lobbying resulted in serious dislocation of the Australian Federal Government, a clear private–political move (citation withheld). The next section will introduce the theoretical framework for PCSR as described by Scherer and Palazzo (2011).

3.6.4 Five dimensions of PCSR

As previously mentioned, Scherer and Palazzo’s PCSR approach defined five key dimensions of CSR, namely, governance model, role of law, source of legitimacy, role of democracy and scope of responsibility (see Scherer & Palazzo 2011). For PCSR, these factors stand in contrast to the assumptions underlying instrumental CSR as outlined below. These five dimensions form the backbone for my theoretical framework, which will be explored in detail in this section.
Table 3: Five dimensions of instrumental CSR and PCSR (Scherer & Palazzo 2011)

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<th>Instrumental CSR</th>
<th>Political CSR</th>
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The five PCSR factors of Scherer & Palazzo’s model are compared here against instrumental CSR. In PCSR a global governance approach includes state, civil and private actors. In comparison, instrumental CSR relies on traditional modes of state governance where the corporate is an apolitical actor governed by the state. The role of law in PCSR is ‘soft’ and requires self-regulation; comparatively instrumental CSR sees law as ‘hard’ and state enforced. In PCSR, the scope of responsibility is global, broad and prospective. Instrumental CSR requires responsibility only be defined in narrow and local terms. A central point in PCSR is the notion of deliberative democracy as opposed to traditional liberal power politics. Underlying the model of deliberative democracy is a move toward moral legitimacy, rather than purely pragmatic legitimacy. In order to understand the five features underpinning Scherer and Palazzo’s PCSR (2011), I will give an overview of each factor. For this, I will draw on empirical data where possible. Later, I will present the critiques offered on PCSR. These critiques form the basis for the research questions for this study.

3.6.4.1 Governance

According to Scherer and Palazzo’s PCSR theory (2011), governance refers to the process of defining, implementing and enforcing rules and regulations on private actors. Scherer and Palazzo (2011) focus on the global level where “global governance, seen as the process of defining and implementing global rules and providing global public goods” (p. 900). As described by Scherer and Palazzo (2011) the changing mode of governance refers to the growing presence of economic actors in shaping governance frameworks at global and local levels. This is a move toward global governance. This globalised shift (Scherer et al. 2006) responds to capacity of economic actors to “undermine the internal sovereignty of nation states, namely the
states’ ability to independently set rules and limit or regulate domestic private activities” (2006, p. 512). In this way governance moves from being a state based, hierarchical model with distinct boundaries between private and state actors, toward a multilayered model, which includes various players from state, civil and private domains.

Scherer and Palazzo’s (2011) approach to governance stands in comparison to instrumental CSR, which builds on a strictly economic conception of the firm. In doing so it assumes an intact governance system to enforce accountability. This mode of operation also assumes that where corporations do not voluntarily regulate their actions, that stricter regulatory requirements will be enacted through a “shadow of hierarchy” (Wolf 2008, p. 230). However, in a global playing field, firms operate with limited constraints of national governance systems and where international regulations can hardly make a direct impact on operations. While some scholars argue heavier international laws should be applied to corporations, others emphasise the utility of voluntary contributions to social and legal development (e.g. Scherer et al. 2006). PCSR does not assume intact governance systems, but instead relies on the firm to self-regulate.

Scherer and Palazzo (2006) focus on globalisation as the catalyst for this shift in the firm’s role. However, this has been criticised from a number of perspectives. Whelan (2012) described PCSR as not an outcome of globalisation but instead as a form of globalisation itself. Given the long and often unethical history of multinational companies dating back to the East India Company (Banerjee 2008b), Whelan’s interpretation serves as an important departure from the assumptions of Scherer and Palazzo’s theory.

Reiterating the discussion of globalisation in 3.6.2, corporations are gaining unprecedented power over expanding markets alongside a growing gap in regulation, a situation which can undermine nation states' sovereignty. Global governance initiatives such as UNGC intend to respond to this lack of regulation. MM Mining is a foundation signatory to UNGC and has been publicly recognised in Australia as enacting various CSR projects (see 2.1.2) including a significant change away from campaigning to minimise recognition of Indigenous rights towards a reputation as Indigenous Australia's preferred development partner. According to Scherer and Palazzo (2011) this global governance and related CSR activity is a response to
globalisation. However, a lack of empirical evidence leaves unanswered the question of the empirical impacts of global governance on deliberative democracy, public goods, accountability, and the local operations of corporations.

This study therefore poses the research question: **How has the role of MM Mining been reshaped by global governance initiatives?** The present study can add to an understanding of key gaps in current understandings of global governance in PCSR theory. For example, did the resulting deliberative opportunity result in a true collaborative effort to reach consensus, or did it constitute an unequal power struggle motivated by utilitarian considerations? Scherer et al (2006) supports the utility of voluntary contributions to social and legal development; a key gap in the research is the consideration of whether such contributions constitute true public goods from the perspective of civil society. Overall, did global governance manifest as self-regulation in the public interest, and did it improve accountability, or did it empower the corporation?

3.6.4.2 Law

In the context of CSR, law can be defined as the “execution of formal rules (hard law) through the legal and administrative system” (Scherer & Palazzo 2011, p. 910). However, PCSR emphasises a ‘soft law’ approach. According to PCSR theory, business may contribute as co-creators of self-regulatory soft law. These soft laws are designed by multi-actor networks and self-imposed (Scherer & Palazzo 2011). According to Scherer and Palazzo (2011) CSR initiatives can be linked with three principles of soft law, namely: the level of obligation (the extent to which parties are bound by a particular rule), precision (how precisely a particular rule can unambiguously define the form of conduct they proscribe), and delegation (the extent to which third party or non-governmental actors are drawn upon to enforce and implement rules). Scherer and Palazzo (2011) state that in instances where soft law and self-regulation take place, obligation is low, precision is low, and delegation is high.

Soft law activities cited by Scherer and Palazzo (2011) range from individual level initiatives such as auditing supply chain factories, to institutional level initiatives such as the UNGC and the Forest Stewardship Council (Scherer & Palazzo 2011). While Scherer and Palazzo draw on these examples to support the notion of self-
regulation, empirical research has taken a more sceptical view. Hennchen (2015) described Shell’s self-regulatory approach as protecting its ‘social license’ to operate and balancing the lack of government regulation of their activities. Despite Shell’s rhetoric alluding to alignment with the political CSR model, community respondents described Shell’s self-regulation as failing to change any real business practices. One community interviewee stated “Shell proposes voluntary measures to avoid legal control” (Hennchen 2012, p. 23). In this case, empirical data in the form of community perspective is vital in understanding how political CSR plays out in practice. In an Australian mining example, Bice (2012) found mining firms engaged in self-regulation in order to utilise ‘unenforceable’ standards, which could still be used to ‘push back’ involuntary regulations.

Kobrin (2009) has argued that “in the longer run, global governance cannot rely entirely on soft law and non-hierarchical compliance mechanisms if it is to be effective” (p. 368). Accordingly, for self-regulatory mechanisms to be effective, they must be administered by an institution with the resources and authority to measure and enforce compliance. This study will identify the particular soft law mechanisms utilised by MM Mining, examine the workings and outcomes of these soft law mechanisms, and investigate stakeholder perspectives of them. Evidence of the interactions between MM Mining and other stakeholders will be used to understand the nature of the community engagement that occurred. To what extent did soft law play a role in this case study? And in this case, was global governance made more effective by relying on soft law? Was soft law used to push back involuntary regulation as Bice (2012) described? Did corporate rhetoric fail to align with any real change in business practice, as described by Hennchen (2015)? Or is self-regulation via soft law an effective approach as Scherer and Palazzo (2011) have theorised? In the current case study, it is apparent that MM Mining has appealed to soft law mechanisms such as their Community Standards framework. However, to what degree these soft law mechanisms have effectively reshaped business practice in line with a CSR remit is unknown. Therefore, this study looks to investigate the following research question:

**How does soft law influence MM Mining and its relationships with stakeholders?**

### 3.6.4.3 Responsibility

The third feature in Scherer and Palazzo’s PCSR framework is the changing scope of responsibility. The authors argue that responsibility is moving toward a wider
sphere of influence, from local to global. Rather than dealing with accusations and guilt in hindsight, firms are forward-looking toward prospective solutions. This is particularly relevant to globalised business operations, where firms can be blamed for complicity in exploitation via their supply chains. Scherer and Palazzo (2011) draw on examples such as Nike’s child labour scandal to argue that firms are engaging in more socially connected forms of responsibility. In order to develop their broadened concept for responsibility under PCSR, Scherer and Palazzo (2011) draw upon the work of Young (2006) who proposed a social connection model of responsibility, wherein “actors bear responsibility for problems of structural injustice to which they contribute by their actions” (Scherer & Palazzo 2011, p. 913).

Young’s (2006) social connection model of responsibility presents five features that distinguish it from traditional liability models of responsibility. In the words of Young (2006) “it does not isolate perpetrators; it judges background conditions of action; it is more forward-looking than backward-looking; its responsibility is essentially shared; and it can be discharged only through collective action” (p. 103). Young also points out that backward-looking condemnation of social irresponsibility may actually serve a forward-looking purpose as it “aims to deter others from similar action in the future, or to identify weak points in an institutional system that allows or encourages such blameworthy actions, in order to reform institutions” (Young 2006, p. 121). In detail, Young’s five dimensions of the social connection model of responsibility include:

- **Not isolating**: harm occurs as an outcome of countless people participating in institutions or practices, thus an isolating concept of responsibility is inadequate
- **Background conditions**: the accepted norms and institutional practices that constitute the contextual conditions must be accounted for in the way they contribute to irresponsible practice
- **Forward looking responsibility**: in order to reform institutions toward social responsibility there must be an identification of weak points (in the institutional system) that allows social irresponsibility to occur
- **Shared responsibility**: despite thousands of people acting as participants in institutions that produce social harm, there is still a requirement for personal responsibility for outcomes, or the risks of harmful outcomes
• Collective action: forward-looking responsibility can be implemented only when developed via collective action.

Scherer and Palazzo (2011) draw upon Young’s (2006) conception of social connected responsibility, however the five dimensions articulated by Young are not expressly represented within Scherer and Palazzo’s PCSR framework. Rather, Scherer and Palazzo’s framework for responsibility within PCSR includes three aspects: firstly, an expanded scope of responsibility (from local to global), secondly, a prospective approach for forward-looking solutions and lastly, a socially connected perspective when critiquing corporate practice. Table 4 below, provides a summary of this feature.

In this case study, MM Mining successfully expanded its operations and in doing so encroached toward the Forestville town and impacted upon a protected woodland. At the same time, they contributed $11 million to Forestville for specific public projects. It may appear, then, that MM Mining has ultimately assumed broad social responsibility for community well-being in relation to their operations. However, the study data allows for a more detailed analysis of the timing, the motivations, and the community perspectives on this outcome in relation to their scope of responsibility. Scherer and Palazzo (2011) and Young (2006) offer related models of responsibility which will be used to understand this particular case. The research question derived from considerations of responsibility is: In what ways does MM Mining engage in a broadened scope of social responsibility?

The timeline of events can help to clarify the extent to which MM Mining was pro-active and forward looking, as well as capturing of community perspectives. When considering MM Mining's broader CSR initiatives, the effects of these initiatives upon its business operations at the local level in this case can be assessed. The extent to which collective action and democratic deliberation occurred is an important consideration in MM Mining's scope of responsibility. And finally, community perspectives can provide evidence of the presence or absence of socially connected responsibility.

3.6.4.4 Legitimacy

According to Scherer and Palazzo (2011) legitimacy is widely understood to mean the “perceived conformity with social rules, norms, or traditions” (p. 914).
Legitimacy is the fourth of the five features of Scherer and Palazzo’s PCSR. PCSR draws on the concept of moral legitimacy which goes above and beyond the traditional conceptions of legitimacy in instrumental CSR. This requires a deeper engagement of stakeholders in understanding social expectations (Scherer & Palazzo 2011). Suchman (1995) defined three sources of legitimacy: firstly, cognitive legitimacy occurs when organisational behaviour is viewed as inevitable and built on shared assumptions; secondly, pragmatic legitimacy ensues where individuals calculate benefits for themselves and lastly, moral legitimacy is subscribed through a discourse on the level of social acceptance of the organisation’s actions. PCSR involves a shift toward moral legitimacy. Suchman (1995) described moral legitimacy as the result of communication, which cannot be manufactured or manipulated by lobbying or other strategic actions.

Moral legitimacy requires corporations to better engage with public discourse on ‘higher order interests’ as well as transnational public policy making and the creation of global governance institutions (Teegen et al. 2004). In this sense, the corporation is involved in defining or redefining standards of global business behaviour via deliberation with civil society groups and NGOs. The outcomes of this deliberation between corporations and civil society derive their legitimacy “from the degree to which they reflect the plurality of competing discourses in the public sphere” (Dryzek 2001, in Palazzo & Scherer 2006, p. 80). According to Palazzo and Scherer (2006) this shift toward morality reflects the broader changes to democracy under globalisation. According to Palazzo and Scherer (2006, p. 80) liberalism relies upon the “output of democracy (societal welfare), deliberative democracy is focusing on the input (civic participation)”. Accordingly, legitimacy is regarded as the result of a process of public deliberation (Dryzek 2001).

Moral legitimacy borrows from linguistic concepts, as pluralisation under globalisation has forced a linguistic turn in political philosophy (Dryzek 2001). For this reason, Scherer and Palazzo (2011) draw on Habermas and his work on deliberative democracy and communicative action (Habermas 1996). According to the Habermasian view, legitimacy is built upon interactive rationality that leads to a “free and reasoned agreement among equals” (Cohen 1989, p. 22). Legitimacy gained from civic participation as described by Scherer and Palazzo (2011) was sought by MM Mining through community engagement. Stakeholders views on the morality of both
the consultation process as well as the mine itself will be analysed. The data will enable reflection on both government and MM Mining responses to the community's concerns about moral legitimacy. How were moral disputes negotiated? Were divergent moral considerations given equal weight? Did stakeholders come to agreement on moral considerations? Ultimately, did stakeholders' moral considerations gain a place at the table of deliberate democracy and a free and reasoned agreement among equals (Cohen 1989)?

It is clear that under PCSR, moral legitimacy occurs as a result of effective multi-stakeholder deliberation. What is not clear, is to what degree moral considerations play a role in shaping stakeholders perceptions of a company’s legitimacy. If indeed legitimacy rests upon a free and reasoned deliberation between stakeholders, then the measure of legitimacy must rest upon the perspectives of all stakeholders involved. Whether a ‘morally legitimate’ dialogue took place within MM Mining’s extension project will depend upon the perspectives of each stakeholder group. Therefore, this study poses the research question: How do moral considerations influence stakeholders with regards to MM Mining’s legitimacy?

3.6.4.5 Deliberation

The fifth element in PCSR is deliberative democracy. In PCSR, a deliberative democratic approach replaces a liberal citizenship model (Scherer & Palazzo 2011). Typically, liberal democracy assumes private actors are apolitical, whereas deliberative democracy acknowledges state and non-state actors’ roles in governance. Uhr (1998) defined deliberative democracy as “fair and open community deliberation about the merits of competing political arguments” (1998, p. 4). This also relates to the changing role of the firm under globalisation (Scherer & Palazzo 2011). Democracy is said to require deliberation for three key reasons: firstly to encourage citizens to form and discuss public issues, secondly to give more insights around public issues to democratic leaders, and thirdly to enable citizens to argue for or justify their views (Levine et al. 2005). The PCSR approach of Scherer and Palazzo assumes a Habermasian conception of deliberative democracy. Research on deliberative democracy has been gaining momentum in the political sciences for a number of years (Dryzek 2010). Deliberative democracy can be seen as an overarching paradigm that necessitates the reformulation of the role of the firm and thus CSR. Given its
imperative and complexity, I will give a brief overview of the deliberative democratic theory.

According to Bohman (1998) the concept of deliberative democracy can refer to “a family of views according to which the public deliberation of free and equal citizens is the core of legitimate political decision-making and self-government” (p. 401). The Deliberative Democracy Consortium provides a pragmatic definition of the concepts of deliberation underpinning deliberative democracy. They define deliberation as an approach to decision-making, wherein citizens may reflect on multiple perspectives of an issue. In doing so, citizens can consider various options and enlarge their understandings through conversation (Marinova et al. 2010). At the core of all deliberative democracy models is a reason-giving requirement, that all members must be able to justify the basis of their perspective by offering full reasoning to others. The process of deliberation can thus be defined as the exchange of ideas, information and arguments where participants engage collectively to make decisions. Opposing viewpoints are weighed by the exchange of reason (Palazzo & Scherer 2006).

Scherer and Palazzo (2011) rely on a Habermasian conception of deliberative democracy in their PCSR framework. Central to Habermasian deliberative democracy theory is the role of legitimacy, morality and procedural process. In the words of Flynn (2004)

According to Habermas, institutionalized democratic lawmaking and judicial review alone are insufficient to confer democratic legitimacy. Along with legislative decisions, judicial and administrative decisions are only ensured legitimacy through the normative reasons generated by an unsubverted public sphere (p. 441).

Habermas emphasises that deliberation must occur among equal and free individuals who have fair opportunity to debate before they reach consensus (Mouffe 1999). This can be referred to as the Habermasian discourse model, which requires all aspects to be considered in order to realise the ‘ideal discourse’\(^3\). Within the Habermasian discourse model, inequality, power and exclusion must be dealt with explicitly. Habermas coined the phrase ‘social power’ to denote the opportunities an individual or group has in terms of social capacity to assert their will and perspective,

\(^3\) Discourse in this context, can be defined as a set of shared assumptions and understandings embedded in language, these can provide participants a basis by which to formulate meaning and coherency (Dryzek 1999).
even against the view of others (Flynn 2004). Deliberative democracy is purported to be morally superior in that it emphasises the power differential between players. As Thompson (2008) stated, “one of the main points of deliberative democracy is to expose inequalities to public criticism and create less unjust conditions in the future” (p. 509). This attention to procedural equality accounts for some of the limitations that occur under a liberal democratic approach. However, this focus on achieving equity or exposing inequalities is not fully articulated within the PCSR framework provided by Scherer and Palazzo (2011).

There are various points of contention in the interconnectedness between Scherer and Palazzo’s conception of PCSR (2011) and Habermasian deliberative democracy (1996). For instance, Habermas relies on the prerequisite ‘unsubverted civil sphere’ that must occur in a ‘vivid public sphere’. Arguably, under the conditions of PCSR, the civil sphere is almost certainly influenced or pacified, if not corrupted, in various ways. As Habermas has outlined, the influence of social power of one group over another must be dealt with in order for true deliberation to take place (Flynn, 2004).

Habermas (1996) also delineated the concepts of communicative power and administrative power. According to Habermas, communicative power is defined as the potential of a common will formed in the basis of non-coercive communication. Habermas made a distinction between power that is generated via communication and administrative power, that is, the exercise of a state’s authority to implement law. Again, the administrative power of a state is granted legitimacy if it is connected to the formation of communicative action from an unsubverted civil sphere. Figure 2, below demonstrates the relationship between the deliberation arena with multiple stakeholders, the resultant communicative power generated through this deliberation process and ultimately the administrative power to enforce decisions made via deliberation.
Habermasian deliberative democracy is interrelated with the concept of moral legitimacy as described earlier. Under deliberative democracy, legitimacy relies on the institutional design of ‘discursive arenas’ and the procedural design of public will-formation (Dryzek 1999). This requires a ‘vivid public sphere’, which may be defined as a kind of ‘communicative network’ that transmits public opinion to other actors for the purpose of deliberation (Habermas 1996; Palazzo & Scherer 2006). The more politically active civil sphere in deliberative democracy requires corporate actors to deal with civil demands in a discursive manner. This places companies in a public communication network.

Critiques of deliberative democracy are varied and often challenge its ability to respond to the limitations of liberal democracy (e.g. Edward & Willmott 2012). noted that the idealised nature of deliberative democracy cannot account for the gaps in authority, capability and representation that marginalise some stakeholders within a democratic governance process. Banerjee cited examples of current conflicts between corporations and communities as evidence for the failure of communicative process. Deliberative process may ultimately create “regulation for business” rather than “regulation of business” (Banerjee 2014, p. 9).

Habermasian deliberative democracy hinges upon the notion of communicative power. Yet according to Flynn (2004, p. 434) the definition and application of the concept remain somewhat unclear.

It is unclear whether communicative power amounts to discursive power produced through arguments within informal public spheres or is primarily associated with the institutional power to make binding decisions. Since the concept plays such a central role, determining the overall character of Habermas’s democratic theory hinges to some extent on defining the role of communicative power.
Mouffe (1999) stressed that the role of power cannot be resolved within a deliberative democratic framework. The notion of an ‘ideal discourse’ is impossible on the basis that such ‘ideal’ circumstances would render disagreement or deliberation unnecessary. The contention between accepting pluralism and finding consensus have long been considered in the literature (Dryzek 2010). Mouffe argued that the issues of plurality, subordination and power imbalances must remain at the core of a theory for democracy. She advocated for a theory of radical and plural democracy. In her view, the contentions and oppositions are not resolved, but are mobilised in the promotion of democratic design. Her view echoes the work of Edward and Willmott (2012) who proposed a radical democratic theory of the firm. They argued for a ‘post-foundational’ approach that fully integrates the economic and political, in this view every social order is a result of the political. Edward and Willmott (2012) specifically addressed a ‘repoliticising’ of political CSR with their approach. In order to address the complexity of this theoretical framework, the research question derived for this section is: how are stakeholder power relations reshaped under deliberative PCSR? In order to answer this question a preliminary model of stakeholder power relations will be developed by drawing from the work of Habermas (1996) as outlined in Figure 2.

3.6.5 Limitations of Scherer and Palazzo’s PCSR

The previous section offered an overview of Scherer and Palazzo’s five features of PCSR with a focus on a Habermasian view of deliberative democracy. In the coming section I will offer both critique as well as a problematisation of Scherer and Palazzo’s PCSR features based on insights from the literature. This critique in conjunction with the literature review will be used to formulate the research questions guiding this study. Herein I define problematisation by drawing on Alvesson and Sandberg (2011) who propose problematisation as a methodology to examine assumptions underpinning theory. This approach can be useful for strengthening existing propositions and constructing more purposive research questions.

In an interesting contribution to the PCSR literature, Hennchen (2012) completed a single case study analysis of mining multinational Shell, operating in Nigeria. She analysed her data according to the five features of Scherer and Palazzo’s PCSR. Her case study presents important empirical insights for the five features of PCSR, and sets the context for this research. In the summary of her study Hennchen stated, “we find the design of Shell’s CSR agenda very much follows deliberative
criteria of political CSR while in praxis features of instrumental CSR abounds” (Hennchen 2012, p. 32). For example, Shell presented features of instrumental CSR practice, such as perusing a ‘license to operate’ (a shareholder-oriented approach), whilst also being engaged in stakeholder engagement relative to a deliberative approach.

Hennchen found that in the context of a developing economy, Shell’s presence may exacerbate existing power imbalances in terms of Western global hegemony (Hennchen 2012). On examining the role of global and local governance in her case study, Hennchen (2012, p. 34) stated that government institutions are not effective in either regulating corporations or providing a regulatory framework for market-initiatives. Furthermore, Shell’s CSR or partnership approach does not hold promise to further democracy in global/local governance nor provide spaces for deliberation on global/local public goods.

This is not to understate the role of state actors within a PCSR context. According to Hennchen (2012) state actors have not simply lost power but instead have taken on a more corporatised role in perusing profit. Rather than enforcing their governance role, the state takes on a more predatory or rent-seeking approach, wilfully failing to uphold their joint venture obligations and thus creating further governance gaps that ultimately negatively impact on communities. There is certainly evidence of active compliance with corruption activities in the case study presented by Hennchen (2012), highlighting the significant role of government players within the context of CSR.

Hennchen (2012) found that in terms of scope of responsibility, Shell failed to live up to its self-imposed responsibilities. In terms of legitimacy, civil society members were not convinced. Interviewees within Hennchen’s case study reflected on the idea of morality as aspirational but unrealistic in the context of Shell. Hennchen found that large portions of state policy makers were heavily sponsored by Shell. Many key executives were ‘exchanged’ between corporate jobs and state governance roles. This ‘hand in hand’ approach has implications for social and political outcomes. For instance, civil society shows dissatisfaction and a sense of exclusion from participation. In this sense, the community does not find the corporations actions ‘legitimate’. Hennchen’s (2012) findings indicate that community holds a poor perception of the firm’s moral legitimacy. One community respondent put it as “they
ride the wings of CSR to gain access to oil” (Hennchen 2012, p. 28). Scherer and Palazzo (2006) also described the potential for corporations to employ a strategic approach to legitimacy, rendering it an instrumental tool to manipulate societal support for the firm.

In terms of deliberative democratic approach, Hennchen’s study (2012) showed limited support, “Deliberative democracy as an alternative societal foundation for CSR remains utopian. While Shell’s formal CSR design incorporates issues of rational discourse, its implementation lags behind” (Hennchen 2012, p. 37). Similar to Hennchen’s (2012) case study, research on an Australian mining community does not yet support the employment of deliberative process. Marinova et al. (2010) conducted an analysis of community perceptions around sustainability in a small Western Australian town. With significant mining multinational corporations operating, there was evidence of proposed community engagement, however true deliberative democratic processes remained a future prospect.

In the case study described above (Hennchen 2012) Shell is clearly engaging in a political role in Nigeria. However, the company’s motivations may remain limited to an instrumental approach. Indeed, the fact that PCSR activities may remain bound by instrumental goals has been established in theoretical critiques. For instance Whelan (2012) argued that Scherer and Palazzo’s PCSR framework lacks predictive and explanatory power due to its failure to acknowledge that corporations’ motives remain primarily instrumental. Furthermore, where Shell is beginning to address social and environmental issues, the current legal and economic environment in Nigeria may undermine such action. According to Hennchen an ‘enabling’ environment is necessary to realise a deliberative discourse. Hennchen’s research concluded that dichotomous theorising between liberal and deliberative democratic approaches to CSR is untenable. She called for further examination of the role of PCSR in a less dichotomous approach.

In addition to the aforementioned empirical examinations of Scherer and Palazzo’s PCSR framework, there are also a number of insightful critiques aimed at the theoretical coherency of the framework. For instance, the deliberative democratic underpinnings of Scherer and Palazzo’s (2011) work have been variously critiqued by a number of scholars (Banerjee & Sabadoz 2014; Edward & Willmott 2012; Whelan 2012). Edward and Willmott (2012) contended that deliberation may be undermined
by the continually changing circumstances under globalisation. The authors believed a post-foundational approach to PCSR could serve as the basis for a radical democratic view of PCSR. Edward and Willmott argued that outcomes of the political deliberative process must be scrutinised in terms of upholding power relations, rather than celebrated as consensus. Edward and Willmott (2012) argued that “from a post-foundational perspective, we can … focus on and privilege stakeholder engagement and processes of community participation” (p. 25). Their thesis echoes Mouffe (1999) who stated

> When we accept that every consensus exists as a temporary results of a provisional hegemony, as a stabilization of power and that always entails some form of exclusions, we can begin to envisage the nature of a democratic public sphere in a different way (p. 756).

From this perspective, we understand any consensus to be a “conflictual consensus” (Mouffe 1999, p. 756). Where deliberative democracy works at smoothing dissent and plurality, a pluralist radical democratic approach centres such contention. As Mouffe stated “By warning against the illusion that a fully achieved democracy could ever be instantiated, it forces us to keep democratic contestation alive” (1999, p. 757). Her approach works to continually examine the multiplicities or pluralities of perspectives and interrogate the power relations implicit within those.

Whelan (2012) also offered a comprehensive critique to the framework for PCSR. Whelan argued that on a most fundamental level the Scherer and Palazzo conception of PCSR has conflated the Habermasian and Rawlsian perspectives on PCSR. A strictly Habermasian PCSR would theoretically seek to “maintain and/or reconstruct a relatively strict and ‘traditional’ division of labor between MNCs and states” (2012, p. 32). For Scherer and Palazzo the Habermasian conception of the post-national constellation (2001) focused on the threat by economic actors, and PCSR has built on this analysis of eroding state power” (Scherer et al. 2016, p. 282). Whelan calls for an expanded research agenda that considers how the Habermasian conception of PCSR “might be critiqued for presuming that liberal- and/or social-democratic states are the means par excellence by which modern societies can be legitimately integrated” (2012, p. 35).

Whelan (2012) also argued that PCSR is not so much an outcome of globalisation of private enterprise, but instead can be understood as a form of
globalisation. Indeed, as argued by Banerjee (2008a) corporations have been
globalised since the earliest conceptions dating back to the East India Company.
Scherer and Palazzo (Scherer et al. 2016) have responded to this criticism by stating
that local governance plays a significant role in the uptake of PCSR and that gaps in
local or regional governance similarly relate to PCSR. For instance, when firms are
compelled to support the administration of public goods due to the failure or
fragmentation of local government or institutions. In responding to critiques of their
framework, Scherer and Palazzo (Scherer et al. 2016) conceded that the PCSR
literature may need to better acknowledge the role for governmental regulation both
national and international, rather than primarily focusing on self-regulation.

3.6.6 Research gaps

The literature review presented here has identified various research gaps. Firstly,
CSR research has emerged from an instrumental viewpoint, focusing on the
perspectives of corporations, which often assume that social impacts of CSR are
positive (Margolis & Walsh 2005). Secondly, although CSR research is a large and
growing body of literature, there are few studies that primarily focus upon community
or civil society perspectives. In particular, first-person community perspectives and
civil society experiences in developed economies are yet to be comprehensively
examined. Thirdly, Scherer and Palazzo’s (2011) PCSR framework is still being
developed. While a small number of studies have applied the PCSR features to case
study data, there are various opportunities for further theoretical development and
empirical investigation. Fourth, the critiques of PCSR (such as bolstering the
unregulated political power of the firm) are yet to be more widely substantiated with
empirical data. There is also good opportunity to bolster the PCSR framework with
existing notions of power as defined by Habermas (1996). This study aims to address
the four identified research gaps as follows:

1. CSR research has tended to preference a managerial viewpoint and studies
   have often assumed that social impacts of CSR are positive. This study
   responds to this gap by centring the perspectives of civil society and by
   problematizing the assumption that CSR impacts are positive.

2. Few studies focus upon first-person community perspectives. Further, civil
   society perspectives in developed economies are yet to be examined. This
   study responds to this gap by drawing extensively from first-person
interview data with community members. The study is based in the developed economy of Australia with a case study in a regional mining area.

3. There are a limited number of studies of PCSR, hence there are numerous opportunities for further empirical investigation and theoretical development. This study responds by gathering empirical data in a single exploratory case study of PCSR. This research design was selected to provide an in-depth exploration of an emerging theory that requires further development.

4. Emerging critiques of PCSR, such as the potential for PCSR to bolster the unregulated political power of the firm, are yet to be more widely substantiated with empirical data. This study responds by applying case study data to the five features of PCSR and rigorously examining the impacts of PCSR activities.

3.6.7 Research questions

Drawing on the critiques of CSR and PCSR presented herein this research responds with six key research questions. The research questions in detail include:

I. How has the role of MM Mining been reshaped by global governance initiatives?
II. How does soft law influence MM Mining and its relationships with stakeholders?
III. In what ways does MM Mining engage in a broadened scope of social responsibility?
IV. How do moral considerations influence stakeholders with regards to MM Mining’s legitimacy?
V. How are stakeholder power relations reshaped under deliberative PCSR?
VI. How can Scherer and Palazzo’s (2011) PCSR framework better account for community stakeholder perspectives?

3.6.8 Theoretical framework

In order to respond to the proposed research questions, this study employs the five features of Scherer and Palazzo’s PCSR frame of reference (2011). The five features are presented in Table 4 below, which compares PCSR with instrumental CSR. These five features serve as a starting point for conceptualising the role of the
firm under PCSR employing descriptive data. It is from this frame of reference that the role of PCSR and the deliberative democratic process will be examined by comparing case study outcomes with theoretical assumptions of the model. This research looks to go beyond the limitations discussed in Section 3.7 by developing an extended framework to conceptualise PCSR. The novelty of this extended framework lies in the fact that it privileges perspectives from civil society. This is achieved by drawing directly from community experience in case study outcomes and developing the extended framework to account for these experiences.

3.7 Summary

In this chapter I have reviewed the development of CSR and its associated limitations. I have reviewed the more recent work on CSR arising from a deliberative democratic approach. The most pertinent for this study is Scherer and Palazzo’s five features for PCSR (2011). These five features form a frame of reference from which examples of PCSR may be examined (e.g. Hennchen 2012; Rotter et al. 2013). In 3.6, I briefly reviewed Habermasian deliberative democratic theory that offers an alternative approach for conceptualising deliberation under PCSR (Habermas 1996; Mouffe 1999). While Habermasian deliberative democracy aims to account for social power, this aspect is not explicitly taken up in Scherer and Palazzo’s conception of PCSR. This issue was raised by Banerjee (2014) who critiqued the role of power dynamics that go uncontested in a PCSR approach.

It is from these critiques of PCSR that the current research gaps and questions are derived. The PCSR framework of Scherer and Palazzo (2011) has been applied in a small number of case studies to date (e.g. Hennchen 2012; Rotter et al. 2013). This study thus aims to fill the gaps that have emerged from the literature review, by applying, critiquing and extending the PCSR framework of Scherer and Palazzo. This will be accomplished through an exploratory case study, giving precedent to civil or community perspectives that have been scarcely heard in the CSR literature. In doing so, the current study will enable the author to propose extensions of the theoretical framework in question.
<table>
<thead>
<tr>
<th>Feature</th>
<th>Instrumental CSR</th>
<th>Political CSR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political actor</td>
<td>State</td>
<td>State, civil, corporate</td>
</tr>
<tr>
<td>Mode of governance</td>
<td>Hierarchy</td>
<td>Heterarchy</td>
</tr>
<tr>
<td>Locus of governance</td>
<td>National</td>
<td>Global/multifarious</td>
</tr>
<tr>
<td>Separation of economic/political</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td><strong>Law</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mode of regulation</td>
<td>Governmental</td>
<td>Self</td>
</tr>
<tr>
<td>Dominant rules</td>
<td>Formal rules, 'hard law'</td>
<td>Informal rules 'soft law'</td>
</tr>
<tr>
<td>Level of obligation</td>
<td>High/enforcement</td>
<td>Low/voluntary</td>
</tr>
<tr>
<td>Precision of rules</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Delegation</td>
<td>Seldom</td>
<td>Often</td>
</tr>
<tr>
<td><strong>Responsibility</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direction</td>
<td>Retrospective</td>
<td>Prospective</td>
</tr>
<tr>
<td>Sphere influenced</td>
<td>Local/narrow</td>
<td>Global/broad</td>
</tr>
<tr>
<td>Reason for critique</td>
<td>Direct action</td>
<td>Social connectedness</td>
</tr>
<tr>
<td><strong>Legitimacy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pragmatic</td>
<td>High (legitimacy of contributions)</td>
<td>Medium-low (market and state failure)</td>
</tr>
<tr>
<td>Cognitive</td>
<td>High (coherent set of morals)</td>
<td>Medium-low (individualism, pluralism, morals)</td>
</tr>
<tr>
<td>Moral</td>
<td>Low</td>
<td>High-low dependent on discursive engagement Proactive engagement in democratic politics</td>
</tr>
<tr>
<td>Mode of corporate engagement</td>
<td>Reactive (pressure response)</td>
<td></td>
</tr>
<tr>
<td><strong>Democracy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Model of democracy</td>
<td>Liberal democracy</td>
<td>Deliberative democracy</td>
</tr>
<tr>
<td>Concept politics</td>
<td>Power politics</td>
<td>Discursive politics</td>
</tr>
<tr>
<td>Democratic control and legitimacy</td>
<td>Derived from political system</td>
<td>Corporate activities under democratic control</td>
</tr>
<tr>
<td>Mode of corporate governance</td>
<td>Shareholder</td>
<td>Democratic corporate governance</td>
</tr>
</tbody>
</table>
Chapter 4 - Methodology

In Chapter 3 a review and critique of the existing literature on CSR and PCSR were presented. From the critique and problematisation provided in Chapter 3, the research questions were extrapolated. The purpose of this chapter is to discuss the methodology used in the current research. The methodology is a systematic approach to addressing the research problem, which involves defining a research design and selecting the appropriate corresponding methods (Burns 1997).

This chapter begins by briefly reviewing the key research paradigms, both interpretive (qualitative) and positivist (quantitative). The justification for the selection of an interpretative approach is then clarified in the context of the current study. This segues into an overview and justification for the selection of a case study design and specific research procedures including case selection, data collection, recruitment, interview design and data analysis. Research quality issues are also addressed, showing consideration of reliability and validity issues within a case study method, such as generalisability, triangulation and bias. Lastly, limitations of this study and ethical considerations are reviewed.

4.1 Rationale for paradigmatic approach

This thesis cannot comprehensively address the ontological and epistemological orientations encompassed by all recognised paradigmatic approaches (e.g. constructivist, relativist, critical realist, and relativist). Therefore, this section briefly reviews the core tenets of the interpretivist and positivist paradigm, laying the groundwork for identifying the ontological and epistemological underpinnings of this research (Creswell 2013). Further, this section will offer a justification for the design choices that were deemed most appropriate for this study.

The two key paradigms that emerge from research are the interpretivist (qualitative) and the positivist (quantitative). Positivism is generally regarded as an approach relying on deductive reasoning, whilst interpretivism involves inductive reasoning, however social enquiry generally involves a fluctuation between both types of reasoning. The interpretivist paradigm assumes a subjective view of reality (ontology), occurring in multiple forms, from multiple perspectives, in contrast with the positivist paradigm which views reality as singular and objective (Creswell 2013).
The interpretivist approach was necessary for this study which aimed to qualitatively capture multiple perspectives of one phenomenon.

The epistemological orientation of interpretivist research involves a relationship between the researcher and the research, with interactions playing a role in the construction of knowledge, where positivism maintains a clear distinction and seeks to minimise researcher impacts on the study. Interpretivism assumes research is value laden and inherently carries a bias, where positivism maintains the opposite. The rhetoric deployed in the two paradigms is distinct, with interpretivism less formal and more open to evolution in the process. As a result, interpretivism employs a more inductive methodological process, with outcomes emerging throughout a more flexible and context-laden process. An inductive study could thus be defined as “bottom up” where participants (subject matter experts) provide researchers with perspectives, insights and knowledge gleaned, and these insights are inductively assessed “from individual perspectives to broad patterns, and ultimately to theory” (Creswell & Clark 2011, p. 40). This approach closely fits the study where individual perspectives were gathered via interview and data collection, their insights were analysed, and the emergent patterns and themes were then assessed against the theory.

4.1.1 Rationale for research design

Drawing upon an interpretivist paradigm, this research employs a case study to explore Scherer and Palazzo’s PCSR frame of reference (2011). According to Yin (1994, p. 13)

Case study is an empirical inquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident.

There are four key justifications for selecting a case study. Firstly, this research is exploratory in nature, requiring a flexible and inductive approach. Secondly, the study employs a number of research questions requiring in-depth insights from individuals in order to explore patterns related to the ‘how’ of a particular phenomenon (Yin 1994). Thirdly, precedent for this approach has been provided by Hennchen (2012), who employed a case study design in order to gain detailed understandings of the dynamics of PCSR in a single setting (a single mine site operated by a multinational company). Fourthly, a case study allows for the reconstruction and precise description
of a particular case. This type of study is pertinent to analysing complex social phenomena as it permits deeper analyses of multi-layered “thick descriptions” (Geertz 1973). In essence, the case study was selected as the most useful design for examining phenomena that must be understood within their own contextual conditions (Yin 1994).

In undertaking a case study method, this research seeks to produce empirical data. Margolis and Walsh (2003, p. 283) described the necessity of “systematic descriptive research” to fill the void in understanding consequences of corporate actions under CSR. Empirical data is also argued to be necessary in exploring the concept of deliberative democracy (Thompson 2008). Thompson stated, “the most promising approach for empirical research would therefore seem to be to continue trying to discover the conditions in which deliberative democracy does and does not work well” (p. 450, cited in Hennchen 2012, p. 13).

4.1.2 Case study data quality

Healy and Perry (2000) argued that a quality of a study needs to be assessed by the criteria associated with its own research paradigm. While positivist, quantitative research is explicit in its efforts to measure validity and reliability, qualitative research takes precedent from this approach in adapting its own methods for assessing research quality. Lincoln and Guba (1985) argued that the quality of qualitative research can be judged upon the credibility, dependability and authenticity of the researcher’s approach.

There are multiple approaches to assessing the quality of qualitative research (Creswell 2013). Generally, most researchers are in agreement with the approach espoused by Lincoln and Guba (1990) who have translated various criteria of quantitative research into qualitative terms. For instance, internal validity (that the research instrument measures what it claims to measure) can be translated into the credibility of data, which is usually demonstrated through the use of validation or triangulation (Lincoln & Guba 1990). External validity (the degree to which findings can be applied to other situations) is deemed transferability and refers to the sense that a reader can derive sufficient information on the context of the study to understand other contexts where the findings may be applicable. Reliability (that the same results will be confirmed in repeat analysis) can be seen as dependability in qualitative studies,
where the researcher must account for the entire procedure of the research including recruitment, data collection and analysis. Lastly, conformability indicates that the findings were derived from the data rather than the researcher’s biases.

Yin (2015) identified three principles of data collection that can be used to improve the quality of evidence. Firstly, Yin recommended researchers use multiple sources of evidence to maximise triangulation. Secondly, the data should be securely recorded in a case study database. Thirdly, a chain of evidence should be collated in order to increase the reliability of the data. As an integral part of this study, the coming section will consider the role of triangulation in case studies in more depth.

Triangulation is a strategy closely associated with case studies (Stake 2010). Triangulation refers to the process of using multiple sources to corroborate findings. Triangulation can be carried out in various ways, for instance, by using multiple respondent groups (units), multiple researchers, multiple cases or multiple methodologies. Patton (1999) identifies four main types of triangulation. This section will address in detail how each of the four forms of triangulation were addressed within the current study.

Firstly Patton (1999) defines methods triangulation, this requires checking consistency of findings by applying different data collection methods. In this study, multiple data collection methods were applied, for instance, in-depth interviews, participant observation and secondary data collection of archived documents. The second form of triangulation is triangulation of sources. According to Patton (1999) this involves examining the consistency of different data sources from within the same method. In this study this was achieved by collecting data from individuals with divergent perspectives, this includes across different stakeholder groups as well as within stakeholder groups where interviewees held differing viewpoints, these differing viewpoints were compared and contrasted for similarities and differences. The third aspect of triangulation is analyst triangulation, where multiple researchers analyse the same data. Although this study did not allow for this process to occur, as part of a doctoral program the thesis was reviewed by multiple supervisors including methods and interpretation of findings. The fourth type of triangulation is theory or perspective triangulation. According to Patton (1999) this requires applying multiple theoretical perspectives to interpret data. While this study focussed primarily on the
PCSR theory of Scherer and Palazzo (2011) alternate theoretical perspectives are addressed throughout the discussion chapter.

### 4.1.3 Case study typology

Case studies involve a variety of designs and typologies (Yin 1994). Case study design can be defined by four main types: embedded, holistic, single case and multiple case (Yin 1989). Researcher decisions over the typology of a case study must consider the type of research problem, type of research questions, theory under consideration and researcher paradigm (Yin 2015). For instance, a holistic case study design is appropriate where no units can be defined within the study and the theory in question is of a holistic nature. A single case study design is often employed to test a particular theory, it may represent a critical case where the context is unusual or extreme, or it may be longitudinal in nature (Yin 2015). Comparatively, a multiple case study design is useful for replication testing, comparing multiple sites and providing more breadth in the study. Embedded case design allows for the separation and comparison of multiple units within a case study (either single or multiple cases). The embedded design provides a holistic view by illuminating rival or competing perspectives and interpretations of a phenomenon, this approach can be used to strengthen internal validity of the case study.

The case study typology must also be considered when selecting a case study design. The typologies of case studies relate to the purpose of the research and can largely be grouped into these four types: exploratory, explanatory, descriptive and confirmatory (Yin 1994). Exploratory case studies typically rely on a single case in order to provide an in-depth exploration of an emerging phenomenon, particularly when the current theory is incomplete or requires further development. A descriptive case study is about gaining an in-depth description of a phenomenon. Explanatory case studies on the other hand may draw upon more established theories that are now being examined for causal relationships. Confirmatory case studies also evaluate well defined theories, but may seek to draw upon a conflicting case to bring a well-established theory into question (Yin 1994).

This case study relied upon multiple units (corporate, government and community stakeholder groups). Following the advice of Yin (1994) the data of these stakeholder groups were analysed at the sub-unit level as well as at the broader whole
of case level. This study employed a number of methods to gain an in-depth understanding of the stakeholder groups’ perspectives. In line with Yin (2015) multiple sources of evidence were utilised for this case study in order to maximise data quality. The sources included: semi-structured interviews, direct observation of NGO and civil group activities (meetings, workshops, hearings and online forums) and content analysis of secondary data including corporate, government and civil group documentation. Semi-structured, in-depth interviews are seen as the focal point of this research as they elicit dialogue on sensitive or ‘non-public’ issues (Kaplowitz 2000). As this research drew upon multiple perspectives, reflective memos were utilised to track the researcher perspective. The multiple perspectives accounted for in this research also support the research criteria for triangulation, which will be discussed in-depth later.

Lastly, the research also aimed to account for ‘organisational imagination’, which described by Mir and Mir (2002) acknowledges the linkage of history, structures and individual lives in serving an intellectual and political purpose, that can “provide a link between the life experiences of people and the structural changes that transform their lives, and most importantly in the explicitness of its political agenda” (Mir & Mir 2002, p. 118). This linkage occurs by the answering of research questions which require the links between experiences, structural changes and political context to be made explicit.

4.1.4 Purposive sampling

This study relied upon purposeful sampling in both case selection and participant selection. Purposeful sampling is critical to case study research where key informants may hold necessary data for solving the research problem. Patton (1990) advised that information rich sources (key informants) should be utilised to gain the most significant insights which may shape the findings, as well as support a snowballing recruitment process. While quantitative research methods may look to recruit a representative, or randomised sample, the qualitative method calls for recruiting based on necessary features thus a smaller sample is likely to be adopted. Furthermore, researchers are constrained by budgetary and time requirements, thus case study units must be contained within necessary limits (Patton 1990). The case study case selection was made on the basis of the above considerations, but furthermore through the researcher seeking a site that would fit the criteria for
sampling a purposeful case (Patton 1990). Patton (1990) advised 15 strategies for researchers to consider employing in order to select the most information rich case for their case study (see Appendix A).

This study employed a mixture of both intensity and theory-based sampling. Intensity sample occurred as the study sought to select a case that demonstrated the phenomenon (PCSR) intensely without being extreme or unusual (Patton 1990). The case could also serve as a representative for a theoretical construct (PCSR). According to Patton (1990) theory-based sampling means that “the researcher samples incidents, slices of life, time periods … on the basis of their potential manifestation or representation of important theoretical constructs” (p. 177). This sampling strategy was necessary to achieve an information rich sample that effectively allowed for examination of the PCSR theory.

There were a number of factors that were used to define a theoretically relevant case for this study. For instance, a decision had been made a priori that this study would occur within Australia due to the research gap in understanding CSR impacts in developed economies. Secondly, a decision was made to select the mining industry due to the politicised nature of various mining controversies within Australia as well as the precedent set by previous studies in the field of CSR. Hence various parameters were already in place bound by theory-based sampling, prior to the selection of an intensity case.

In order to undertake the exploratory work for an intensity case selection, this study began with a process of reviewing various large mining sites across Australia, by using media records, mine sites were assessed for their engagement with government and community stakeholders. The field was narrowed to a small number of mine sites who appeared to have intense engagement with government and community groups. These sites were assessed for their applicability to a case study method, it was then found that the only site with a clear geographical boundary to contain the case, and with a well-defined and vocal community stakeholder group was the MM Mining case. Other cases were rejected due to their unclear or changing geographical boundaries that made community sampling unstable or unpredictable, and subsequently these cases did not have clear key-informants that could be readily identified in public records.
This theory-based intensity sampling method when applied to a single exploratory case study design indicates that the research is contextually laden and reliant on inductive reasoning and interpretive sense-making for theory building (Stake 2010). While the single intensity case sampling method limits the researcher’s ability to provide generalisation or causal explanations, it maximises the researcher’s ability to develop highly in-depth descriptions and explanations of the phenomenon under study. As in the case of Hennchen’s (2012) study of PCSR in a single case in Nigeria, the current study has a focus on uncovering marginalised community perspectives, with depth rather than breadth, thus the use of an intensity case sampling method is justified.

Qualitative research, unlike quantitative statistics, does not designate or analyse for a particular sample size, although this is subject to debate (Yin 1994). Lincoln and Guba (1985, p. 202) recommended selecting samples to the point of data saturation or data redundancy. As a result, the data collection with community informants was capped at 15 interviews from a cross-section of 11 participants at which point it was clear that data saturation had been reached when no new patterns or insights were emerging from the interview data. The government and corporate stakeholders proved more difficult to recruit, with three government stakeholders interviewed, one of which being a primary key-informant. However, further interviewees were uninterested or unwilling to comment. A similar issue occurred within the corporate stakeholder group, the case was limited to the two community relations managers who were the only community engagement staff at MM Mining in the region. When further interviews were requested with more senior management staff the company resisted. As a result, this unit was supplemented with data from two public interviews on CSR given by global senior leaders of MM Mining.

4.1.5 Participants

A stakeholder map was used to chart the major stakeholder groups and the key members of these groups required for interview. The key stakeholder members were treated as ‘key informants’ given they had access to a number of other stakeholders within their groups (Patton 2001). The main stakeholder groups identified included: government, corporation, community and industry. In order to identify the key informants, secondary data were gathered and reviewed. Secondary data were collected via Internet (softcopy) and mail (hardcopy) from the various stakeholder
groups. Secondary data that were reviewed included publications, research papers, online discussion, forums, blogs and media releases, see Table 5. Initial search engine requests for online published secondary data included keywords “MM Minesite” and “Forestville” for generating a wide variety of results. Later searches included “supreme court” as the court ruling was awaited.

Table 5: Secondary data sources and types

<table>
<thead>
<tr>
<th>N</th>
<th>Channel</th>
<th>Source</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Online News</td>
<td>Mining Australia News</td>
<td>News Releases</td>
</tr>
<tr>
<td>2</td>
<td>Online News</td>
<td>The Herald News</td>
<td>News Releases</td>
</tr>
<tr>
<td>3</td>
<td>Online News</td>
<td>Global Mail Australia</td>
<td>News Releases</td>
</tr>
<tr>
<td>4</td>
<td>Online News</td>
<td>Minetown Newspaper</td>
<td>News Releases</td>
</tr>
<tr>
<td>5</td>
<td>Online News</td>
<td>ABC News Online</td>
<td>News Releases</td>
</tr>
<tr>
<td>6</td>
<td>Online News</td>
<td>Australian Finance Review</td>
<td>News Releases</td>
</tr>
<tr>
<td>7</td>
<td>Online News</td>
<td>Business Review Australia</td>
<td>News Releases</td>
</tr>
<tr>
<td>8</td>
<td>Online News</td>
<td>Sydney Morning Herald</td>
<td>News Releases</td>
</tr>
<tr>
<td>9</td>
<td>Brochures</td>
<td>MM Australia</td>
<td>Pamphlets</td>
</tr>
<tr>
<td>10</td>
<td>Online blog</td>
<td>Lock the Gate Alliance</td>
<td>Blog page</td>
</tr>
<tr>
<td>11</td>
<td>Online blog</td>
<td>Forestville Community Association</td>
<td>Blog page</td>
</tr>
<tr>
<td>12</td>
<td>Online blog</td>
<td>Minetown Healthy Environment Group</td>
<td>Blog page</td>
</tr>
<tr>
<td>13</td>
<td>Websites</td>
<td>MM Australia</td>
<td>Website</td>
</tr>
<tr>
<td>14</td>
<td>Websites</td>
<td>Union</td>
<td>Citation withheld</td>
</tr>
<tr>
<td>15</td>
<td>Websites</td>
<td>NSW Mineral Council</td>
<td>Upper Hunter Dialogue Paper</td>
</tr>
<tr>
<td>16</td>
<td>Websites</td>
<td>NSW Planning and Assessment Commission</td>
<td>Legislation change memorandum</td>
</tr>
</tbody>
</table>

Of the community stakeholder group, key members identified included: Forestville Community Association (FCA), Forestville Progress Association, Farm Land Alliance, Minetown Environment Group, Futures for Minetown Association, and Minetown Family support group. Key contacts were sourced for each of these groups and key informants were asked to pass on an information sheet to any associates whom they thought would be appropriate for participation in the study. As the case study site is a rural township, several community members had previous associations with the local government and other relevant groups that supported a snowballing process.
These associations were explored in more detail within the interview process. In order to open participation with the wider community outside of community membership groups, local advertisements were placed in the region’s newspaper calling for expressions of interest to participate. Through these notices there were several additional community member interviewees recruited.

Publicly accessible information regarding the contact details for key stakeholders was most often found online. The initial invitation to participate in the study was then sent via a publicly listed email address to various key stakeholders or stakeholder institutions. Initial rapport and trust was established by immediately identifying the study as an unbiased university study with no affiliation to any government or mining body. The response rate was very high with all community stakeholders responding. All community groups (as listed above) had contact persons clearly cited in public records, most often the president of their association. Lastly, key media sources were identified via media reports and contacted for participation, these included: Global Mail Australia and the Minetown Newspaper. See Table 6 below for a full record of interview participants.

The government stakeholder invitations yielded less success with no responses to initial emails being received. Follow up phone calls were then placed to government stakeholders, however most of the local and state government members remained unavailable or unwilling to comment on the details of the case. Government stakeholders identified via secondary documentation included: the Minetown Shire Council, the PAC, and the Independent Commission Against Corruption (ICAC). Several ex-council members also showed a willingness to participate.

Review of corporate and media documentation identified key MM corporate stakeholders. The community relations manager from the local area identified herself as an interested participant. The company immediately showed a willingness to participate, however on request for more executive level participation the company response was resistance. The company requested complete anonymity in this study indicating a degree of uncertainty about the study. Secondary data were used to counter the limited accessibility of more senior management of MM Mining. Various video recorded interviews were publicly available on the topics of CSR, community relations and managing community conflict given by the MM Mining global leadership team.
These interviews were transcribed where possible and key quotes were integrated into the findings in relevant sections.

Table 6: Stakeholder groups and informants

<table>
<thead>
<tr>
<th>Stakeholder group</th>
<th>Organisation</th>
<th>Position</th>
<th>Pseudonym</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>Minetown Council</td>
<td>Economic development manager</td>
<td>Dennis</td>
</tr>
<tr>
<td></td>
<td>Minetown Council</td>
<td>Ex-Mayor</td>
<td>Ned</td>
</tr>
<tr>
<td></td>
<td>Minetown Public School</td>
<td>Teacher</td>
<td>Freya</td>
</tr>
<tr>
<td>Community</td>
<td>Futures for Minetown Association</td>
<td>President</td>
<td>Rayleigh</td>
</tr>
<tr>
<td></td>
<td>Forestville Community Association</td>
<td>President</td>
<td>Josef</td>
</tr>
<tr>
<td></td>
<td>Minetown Environment Group</td>
<td>President</td>
<td>Nick</td>
</tr>
<tr>
<td></td>
<td>NA</td>
<td>Farm owner</td>
<td>Raymond</td>
</tr>
<tr>
<td></td>
<td>NA</td>
<td>Small business owners</td>
<td>Jim</td>
</tr>
<tr>
<td></td>
<td>NA</td>
<td>Local resident</td>
<td>Martine</td>
</tr>
<tr>
<td></td>
<td>NA</td>
<td>Local resident</td>
<td>Patricia</td>
</tr>
<tr>
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<td>Richard</td>
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<td></td>
<td>NA</td>
<td>Local resident</td>
<td>Mary</td>
</tr>
<tr>
<td></td>
<td>NA</td>
<td>Local resident</td>
<td>Steve</td>
</tr>
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<td></td>
<td>Minetown Newspaper</td>
<td>Editor</td>
<td>Linda</td>
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<tr>
<td>Corporate</td>
<td>MM Mining</td>
<td>Community relations manager</td>
<td>Drew</td>
</tr>
<tr>
<td></td>
<td>MM Mining</td>
<td>Community relations manager</td>
<td>Sam</td>
</tr>
<tr>
<td></td>
<td>MM Mining</td>
<td>Global leader for communities</td>
<td>Harold, secondary data (citation withheld)</td>
</tr>
<tr>
<td></td>
<td>MM Mining</td>
<td>Global leader for communities</td>
<td>Dee, secondary data (citation withheld)</td>
</tr>
</tbody>
</table>
4.2 Data collection

4.2.1 Interviews

Semi-structured in-depth interviews were the focal point of data for this study. Interview questions were tailored for three stakeholder groups: firstly, corporate participants, secondly, government, and thirdly, community including NGO and civil groups. The interview questions began by uncovering general understanding and perceptions of CSR, then continuing to explore issues derived from Scherer and Palazzo’s frame of reference (2011). The themes to be explored included: scope of responsibility, deliberation or engagement process, regulation or governance and perception of legitimacy. Participants from each stakeholder group were interviewed on the same content, however, changes were made to reflect each stakeholder group’s particular context. See Appendix B for an overview of interview protocol for the three stakeholder groups.

4.2.2 Data collection procedure

The process of data collection began with a review of all available secondary data related to MM Mining’s CSR and community engagement approach dating back up to ten years. All media and reporting related to the MM Mine extension controversy were catalogued and reviewed. Google Alerts ensured that newer media reports were also collated as they occurred throughout data collection. Secondary data were collected from the entire period of study from July 2014 up until July 2016. Between July and December of 2014 semi-structured interviews were booked with 18 potential participants. Fifteen of these interviews were successfully completed as planned on the dates booked. Three interviews were unable to be completed due to participants being unavailable or uninterested to complete. A further three interviews were conducted in April of 2015. Two of these interviews were with key informant participants who were willing to provide validation interviews to reflect on case reports of their data. Two interviews from secondary data were transcribed and used as supplementary data because of MM Mining management being uninterested in participating.

In total, 16 participants were interviewed, four validation interviews (member checking) were conducted in follow up and two interviews were taken from secondary data online, this brings the total number of interviews to 22. The majority of interviews were conducted with community members, most of which resided in Forestville.
Throughout each interview, the interview questions were utilised in a semi-structured fashion where participants had the opportunity to add new or different information that they felt was relevant. Participants were also given the opportunity to add their own comments at the end of the interview. Notes were recorded both during the interview as well as after the interviews in a research fieldwork logbook.

4.3 Data analysis

There were two main components of analysis in this case study. Firstly, the case context surmised from a range of secondary data was developed into a historical timeline and detailed description, presented in Chapter 2. Secondly, interview data was coded and reported on separately. It is important to note that there were several secondary data sources also used in the interview data. This is because interviews with senior corporate stakeholders had often been conducted by media or business schools and had asked questions highly pertinent to this study. Therefore, these secondary data (citation withheld) were also transcribed, coded and analysed as per interview data. The coding of interview data in each stakeholder group was conducted to ensure a thick description of the case study as well as each stakeholder group could occur. Key themes and the perspectives from each stakeholder group were of primary importance to development of a thick description, hence detailed explanation is given to each of the themes that emerged from data analysis. The analysis process is explained in detail below.

4.3.1 Transcription

The interviews were transcribed verbatim for analysis. The interview transcripts are a permanent record of interviews and are available to be reviewed at any time. The recording transcriptions specified whenever a speaker’s word was unclear, muffled or talked over, other sounds including pauses were also noted in the transcriptions. Checking of the transcriptions with the interview recording was also completed by a third-party transcription service. Given transcription writers are not present during the interview it must be acknowledged that transcripts offer a representation of the data. Transcriptions do not include all nuances of speech nor can they include movements, gestures or changes in tone. For this reason, researcher note taking is vital to strengthen the data.
4.3.2 Coding

This study draws upon Saldaña (2009) who defines a code as “a word or short phrase that symbolically assigns a summative, salient, essence-capturing… attribute for a portion of language-based or visual data” (p. 3). Comparatively, Saldaña defines a theme as “an outcome of coding, categorisation, and analytic reflection, not something that is, in itself, coded” (p. 13). The relationship between the coding, categorising of codes and generation of themes is depicted below in Figure 3.

![Figure 3: Code to theme model for qualitative inquiry, adapted from Saldaña (2009)](image)

In this study, coding was undertaken using both manual and electronic means. Firstly, transcripts were reviewed manually, this process can be referred to as eyeballing, or the ocular scan method (Ryan & Bernard 2000) which begins to situate the researcher with a better sense of the overall data. Sandelowski & Barroso (2006) advised that analysis should be undertaken with an initial proofreading, using underlining to begin to make sense of the pertinent points of data. This process was reinforced with the use of notes made in columns and headings and subheadings inserted to indicate first order codes. Amongst this commonalities and issues for follow up were noted down. This manual process allowed for an initial analysis whereby patterns are identified as they emerge and the researcher begins to reflect on potential themes (Guest et al. 2011). A code log was employed to record and revise the developing codes and possible interrelationships between data sets during the manual analysis.
Following several iterations of manual analysis, electronic analysis was undertaken. This process was aided by the use of computer software NVivo10.0 developed by QSR International (2012). While there is ongoing debate about the role of computer software in qualitative data analysis, various researchers agree that computer assisted qualitative data analysis can improve the credibility of the analysis by assisting in coding (e.g. Siccama & Penna 2008; Welsh 2002). NVivo is a software tool for qualitative analysis that supports the researcher in organising, coding and sorting the data (Welsh 2002). In this study NVivo was not the primary analytical method, it was however a tracking and sorting tool which facilitated and stored data. The initial codes were derived from the manual coding process as described above. All interview transcripts were uploaded into NVivo, initially identified codes were input as ‘nodes’. NVivo was employed to serve as a cutting and sorting tool, allowing for reflexive review of the themes identified in the manual analysis.

According to Lee and Fielding (1991) there are two approaches to coding in computer assisted analysis, vertical and horizontal analysis. Vertical analysis refers to examining one piece of data at a time, to a certain level of depth. Horizontal analysis refers to analysis across multiple pieces of data with an emphasis on the whole. As described above, the coding process began with vertical analysis of each interview transcript, via the eyeballing process. Through this initial coding, the first level codes were identified. Horizontal analysis was then carried out with the assistance of NVivo, that is analysis across multiple interviews, in this case within the stakeholder groups. Table 7 below, indicates an example of the coding process for government stakeholder data.

As depicted in this table, first order codes were recorded for frequency, these included: CSR as funding, MM could do more, MM lacks insight to local issues and MM management not on local site. Pattern coding was applied to the first order codes, reducing them to a smaller set of second order codes such as MM’s short-term focus and lack of insight. These second order codes underwent the process of analytical coding, that is, being arranged around the abstract framework of PCSR (Scherer and Palazzo 2011). Analytical coding allowed for the identification of whole case themes related to the five features of PCSR. For the example data below, the theme related to Scherer and Palazzo’s framework was instrumental CSR. Results presented in Chapter
5 outlines all of the themes categorised according to the five features of Scherer and Palazzo (2011).

Table 7: Example of open coding of government data, Instrumental CSR theme

<table>
<thead>
<tr>
<th>First order code</th>
<th>Second order code</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR as funding</td>
<td>Short-term focus</td>
<td>7</td>
</tr>
<tr>
<td>MM could do more with CSR</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>MM lacks insight to local social issues</td>
<td>Lacks insight</td>
<td>5</td>
</tr>
<tr>
<td>MM management not on local site</td>
<td></td>
<td>3</td>
</tr>
</tbody>
</table>

4.3.3 Ethical considerations

Ethics approval to conduct this study was granted by the Western Sydney University Human Research Ethics Committee, approval number H10075. Ethical issues are to be expected in conducting research and interviews of this nature, due to the sensitivity of data and personal type of issue being examined (Corbin & Morse 2003). These may include: personal information, participant care, confidentiality and reciprocity. These issues are addressed in the following sections.

4.3.3.1 Use of personal information

Debriefing information sheets were supplied to each participant. These contained a comprehensive description of the research aims and purpose, as well as the participant’s possible contribution. Information and consent forms were read and signed prior to any interview process occurring (see Appendix C). These forms also detailed the right of participants to withdraw without repercussion at any time up until the publication date.

4.3.3.2 Participant care

Interviewing processes can raise anxiety for some participants who are reflecting on potentially painful personal information. However, the process of being interviewed has been reviewed as no more stressful than everyday life (Corbin & Morse 2003). Nonetheless, this research took potential impacts on individuals seriously. Part of the debriefing information for participants included a follow up email
and phone contact for any participants with concerns regarding the process. Despite this, no participant concerns were noted about the study.

4.3.3.3 Confidentiality

Confidentiality of interview and fieldwork data is of critical importance in research that uncovers sensitive information. There are various strategies to ensure confidentiality and anonymity of informants: all data files are stored in password protected files, participant names are stored in code form with a separate file for codes, pseudonyms are used throughout, direct quotes may need to be altered slightly (and annotated as such) to ensure anonymity is upheld. The information and consent forms that had been signed by participants were stored in secure cabinets as per ethics clearance requirements.

4.3.3.4 Reciprocity

One important consideration is reciprocity in the research process (Corbin & Morse 2003). This study developed reciprocity with all stakeholders through various means. Firstly, there was a rapport building process prior to any interviews being conducted. This entailed familiarising the researcher with the local area prior to interview processes by: attending group and community meetings, having informal discussions with potential informants, making phone calls to those who registered interest, and following up on interviews. Following up on interviews was twofold, firstly, a data verification process was carried out in some cases, this was to allow participants to reflect on the interpretations and framing of their data, secondly, participants were invited to peruse a working paper designed specifically to inform and thank those involved for their time and energy after the conclusion of this study.

4.3.4 Limitations

It must be acknowledged that any research design carries inherent limitations. In the current study, the primarily methodological limitation is that a single exploratory case study method is utilised and thus generalisability of these findings is limited (Glaser & Strauss 1967). However, sampling methods can be used to maximise the possibility of theoretical generalisation. For instance, according to Yin (1994, p. 10) case studies, like experiments, are generalisable to theoretical propositions and not to populations or universes … the investigator’s goal is to expand and generalise theories
(analytical/theoretical generalisation) and not to enumerate frequencies (statistical
generalisation).

As this study employed a single exploratory case study, it is thus not able to
provide comparative analysis across cases, but rather this study aimed to describe in-
depth a case which is intensely demonstrative of the theoretical construct under
investigation (Patton 1990). This study is constrained by use of a single case design
and furthermore, within this single case are a number of stakeholder groups where
there were few participants available for interview. However, given the primary focus
of analysis pertains to civil society or community perspective, it is important to
emphasise that data saturation was achieved with the community unit of analysis, and
where possible supplementary data were used in the corporate and government units
of analysis. Furthermore, this research created triangulation to counteract potential
limitations, with multiple data sources, multiple sampling strategies and multiple units
of analysis.

4.4 Summary

This chapter has explained the research design and process for the study,
including the underpinning paradigm and related epistemological orientation that led
to the selection of methods. The interpretivist paradigm was most relevant to underpin
this study as it assumes a subjective view of reality (ontology), occurring in multiple
forms, from multiple perspectives (Creswell 2013). The case study method was
justified for four main reasons. Firstly, this research is exploratory in nature, requiring
a flexible and inductive approach. Secondly, the study employs a number of research
questions requiring in-depth insights from individuals in order to explore patterns
related to the ‘how’ of a particular phenomenon (Yin 1994). Thirdly, precedent for this
approach has been provided by Hennchen (2012), who employed a case study design
in order to gain in-depth understandings of the dynamics of PCSR in a single setting
(a single mine site operated by a multinational company). Fourthly, a case study allows
for the reconstruction and precise description of a particular case. This type of study
is pertinent to analysing complex social phenomena as it permits deeper analyses of
multi-layered “thick descriptions” (Geertz 1973). In essence, the case study was
selected as the most useful design for examining phenomena that must be understood
within their own contextual conditions (Yin 1994).
A single case study design was selected as most appropriate for this study, as it is often employed to test a particular theory, it may represent a critical case where the context is unusual or extreme, or it may be longitudinal in nature (Yin 2015). Data collection began with secondary data that were collected via Internet (softcopy) and mail (hardcopy) from the various stakeholder groups. Primary data was centred upon semi-structured interviews. Interview questions were tailored for three stakeholder groups: firstly, corporate participants, secondly, government, and thirdly, community including NGO and civil groups. Data was analysed with two main approaches: first, the case context surmised from a range of secondary data was developed into a historical timeline and detailed description, as per Chapter 2. Secondly, interview data was coded and developed into a thick description of the case study at the level of each stakeholder group. The results presented in Chapter 5 are framed around the five features of Scherer and Palazzo’s (2011) framework.
Chapter 5 - Results

5.1 Introduction

This chapter presents findings from the case study of the MM Mining extension controversy as outlined in Chapter 4. Descriptive results of the interview data and direct observation data (community meetings, hearings and online forums) obtained from the three stakeholder groups are reviewed. Due to anonymity requirements, various citations are withheld throughout this chapter and pseudonyms are used throughout. Minor adjustments to direct quotations taken from media reports has been carried out where the risk of identification was present.

The results derived from the interviews and direct observations are arranged according to emerging themes and categorised into the five features of the PCSR framework (Scherer & Palazzo 2011). For the most part, sources presented in this chapter are direct quotes from interview participants. Secondary data is also cited in this chapter, particularly with reference to MM Mining executives who were unable to be contacted for interview, but who have publicly provided advice with regards to MM Mining’s CSR approach and the MM mine extension case.

5.2 Case study of MM Mining

The context for the MM Mining case study was presented in Chapter 2. To briefly recapitulate, the MM Mining Company operates a number of open-cut coalmines in Australia. These include the site of the MM mine that is being examined in this case study. The MM mine site is situated in the state of New South Wales. MM Mining Company operates in 5 continents with around 160 operations globally and is headquartered in the UK (citation withheld).

The case study results presented herein were obtained from the three stakeholder groups identified in Chapter 4. Corporate stakeholders included respondents from MM Mining such as the community relations officers and supplementary secondary data was drawn upon from publicly available interviews of senior leadership. Government stakeholders included the ex-mayor, the economic development officer and other government related staff. Community stakeholders included a range of community members from both the Forestville and Minetown area surrounding the MM mine site. Nine out of the 11 community participants were long term or lifetime residents of the
region, and three were leaders of local community groups. Four of the 11 community participants were female, and around half had family who had lived in the local area for more than one generation. Table 7 above, summarised this data.

Interview data were gathered and analysed according to the methods defined in Chapter 4. The section below describes the key themes categorised according to the five features of Scherer and Palazzo (2011). The key themes that correspond to each feature of PCSR are described in-depth around each stakeholder group. For each stakeholder group, key themes are summarised in Table 11, below. Examples of coding and aggregate themes are included in Tables 8, 9 and 10.

5.2.1 Global Governance

The first feature of Scherer and Palazzo’s (2011) theme of reference is global governance. As outlined in Chapter 3, this feature relates to the shift in governance away from a state-based hierarchical model, toward a global, heterarchical model where all are politicised. In relation to global governance, the research question applied to this section was: How has the role of MM Mining been reshaped by global governance initiatives? Based on analytical coding of interview data, the theme that most closely related to global governance was increased corporate power. At a stakeholder level, the corporate interviewees reflected on a sense of political empowerment due to their involvement with global governance initiatives such as the UNGC. Government stakeholders reported a sense of reliance on CSR funding, while community reported to feeling undermined by CSR initiatives. The next section will explore the data within the theme of increased corporate power, considering the different perspectives from the three stakeholder groups.

The theme of increased corporate power was evident across all three stakeholder groups. This theme highlighted how MM Mining has been empowered by its globalised scope and use of PCSR strategies, such as engaging in global multi-stakeholder initiatives. MM Mining’s senior leaders were keen to emphasise their involvement in global governance frameworks such as UNGC and MDG, iterating that these frameworks ensured they played a collaborative role with governments. MM Mining’s increased political role had a marked effect on the other stakeholder groups. For instance, government stakeholders reported to feeling constrained by their reliance on CSR funding, and community members felt silenced by what they saw as tokenistic
CSR gestures to ‘win them over’ when required. The following section will first overview the theme of increased corporate power related to the three stakeholder group’s perspectives.

5.2.1.1 Corporate stakeholders

Many of them [communities] don’t actually have too many other options (Dee, secondary data).

The data from corporate stakeholders painted a picture of a global giant, with significant political power to impact on community with the “ambitious objective of improving livelihoods and economic participation” (Harold, secondary data). The deployment of globalised PCSR mechanisms seemed to bolster MM’s political power. It was clear that MM Mining played a significant role in “community development” regardless of whether the community sought to be developed because “many of them [communities] don’t actually have too many other options” (Dee, secondary data).

The increased political power of MM Mining over local community and government was illustrated across both secondary data and interview outcomes. Data indicated that MM Mining made business decisions prior to and without community engagement. In fact, there was a repeated emphasis on ‘telling’ community about “how it’s going to be” (Sam, interview). This rhetoric was indicative of a company that was uncompromising and hence wielded enough power to overcome community or government opposition. In the words of Sam, global leader of communities, “we talk about the reality of how it is going to be … what can we offer people … we avoid resettlement if possible”. This same approach was echoed by Dee in another interview, where she stated “I think being able to take people through the thought process of how you’ve arrived at that particular decision, what are the factors that you’ve taken into account.” It was clear that MM Mining’s operations can significantly impinge on local communities and MM management were aware of the risk their decisions could pose for communities.

According to MM Mining’s community relations team there was a structured approach to community relations which was mandated by MM Mining globally, this mandate was linked to growing CSR legislation around the globe. In the words of interviewee Sam, “three main areas: consultation and engagement; community development; and then we’ve got quite a large communication infrastructure”. Further
to this, Sam reported: “we’ve got quite a comprehensive range of other types of programs and plans that we have in place to broaden out the type of engagement and consultation that we do”. Sam clarified that key stakeholder groups had their own consultation and engagement plans, “we’ve got a specific engagement plan for council, with our schools, with our new neighbours and all of those”. It was clear that MM Mining’s community engagement approach was structured and systematised. This may relate to the Forestville community’s frustration over the lack of flexibility of MM Mining’s management to meet with them outside of structured engagement.

According to Dee, MM Mining’s community development approach aligns to global frameworks, such as the Millennium Development Goals for government to reduce poverty. Dee evidenced this by stating “[MM] were one of the first companies to actually bring in the Millennium Development Goals”. For Dee, MM Mining aligns their CSR activities to frameworks such as the MDG in order for engagement and collaboration with the local government on social outcomes. According to Harold, this increasingly deliberative approach of MM was a “global form of democratisation increasingly being legislated about the world”. MM Mining’s uncompromising stance about enforcing community development was backed by powerful transnational networks. As a result, MM Mining had greater power to enforce economic development upon communities, even where those communities were strongly in opposition to the development. Table 8, below, describes the frequency that codes appeared within interview data and the resultant aggregate theme for the corporate stakeholder group.
Table 8: Corporate stakeholder data on global governance, Empowered by PCSR theme

<table>
<thead>
<tr>
<th>First order codes</th>
<th>Second order code</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global initiative</td>
<td>Globalised practice</td>
<td>4</td>
</tr>
<tr>
<td>Global democratisation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>First to bring in Millennium Development Goals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNGC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improving lives</td>
<td>Community development</td>
<td>3</td>
</tr>
<tr>
<td>Economic participation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication infrastructure</td>
<td>Explain decision to the community</td>
<td>4</td>
</tr>
<tr>
<td>No other option</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Explain it to people</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The reality of how it’s going to be</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.2.1.2 Government stakeholders

Dig our heels in and be seen … not as pro-mining or whatever, but you have a worse outcome… you work with them (Ned, interview).

Interview data from government stakeholders indicated that for local government, there was little choice about whether to engage with MM Mining’s CSR efforts. Government stakeholders clarified they were not forced to accept CSR funds, but that negotiation was the only option “that’s not to say that you roll over for the mining companies and let them screw you over, but you work with them” (Ned, Interview).

For the government stakeholder group, the closer collaboration with MM Mining led to complications. This was evident in the government stakeholder theme of ‘coercive CSR’. The government felt compelled to collaborate with MM Mining as they could benefit from strong mining relationships, and similarly could suffer from strained relationships with the mines. For instance, ex-mayor Ned stated “we need the mining, we need it for what it’s done for us” (Interview). Ned emphasised that as a Mayor, he was supportive of the mines, however it became clear that there were complex reasons behind this approach, “that was always my fear, we became … dig our heels in and be seen … not as pro-mining or whatever, but you have a worse outcome… you work with them”. When further probed on whether local government was constrained by their relationship with mining, Ned answered “we’ve been trying
to negotiate that but so if the mining is going to get something out of it, we can get something out of it” (Ned, interview). Ned’s perspective was further validated by interviewee Freya, who stated “the local government’s hands are tied.”

During interview with local government member Dennis, he pointed out that the government’s collaboration with MM Mining was varied depending on the economic and political context. For instance, he was concerned about local housing shortages, but felt that the mines had failed to respond due to the downturn in the mining industry. Dennis went on to describe that during boom times there was a more generous CSR approach than during downturn in mining, adding, “if the mines aren’t making money, how do they make social responsibility? There’s some hard questions, perhaps, have to be asked there” (Dennis, interview). Government stakeholder data made it clear that CSR funding was a complicating factor for the relationship between government and MM Mining. Table 9 below, details the first and second order codes as well as the aggregate theme for the government stakeholder data.

Table 9: Government stakeholder data on global governance, Coercive CSR theme

<table>
<thead>
<tr>
<th>First order codes</th>
<th>Second order code</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>My fear</td>
<td>Coercion</td>
<td>6</td>
</tr>
<tr>
<td>Worse outcome</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Screw you over</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hard questions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How can they make CSR?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>We need mining</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work with them</td>
<td>Must negotiate</td>
<td>3</td>
</tr>
<tr>
<td>Trying to negotiate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>We can get something</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.2.1.3 Community stakeholders

There’s a perception in town … that it buys our silence (Patricia, interview).

Community interviewees were critical of the perceived increase in corporate power. Interviewees reflected in some depth on the way CSR may allow MM Mining to undermine the community’s power and increase their own, “yeah, I suppose you’d say, buying their way in. It’s the way I interpret it” (Patricia, interview). As a result, interviewees saw MM Mining playing an increasingly powerful and government-like
role that impacted both community and the government. Patricia stated that “there’s a perception in town… that it buys our silence”. For Josef, it was clear that the funding had a negative flow on effect, “they’re taking the place of councils whose real responsibility it is to provide such funding. In effect, it’s allowing council off the hook or the local government areas off the hook” (Josef, interview).

The shifting roles of the corporate reduced the ability of the community to speak out against MM’s activity. This was emphasised by Mary who stated, “I think they feel they could win us over now at the critical stage in the approval process”. As well as Josef who explained that when he had challenged MM Mining on their extension plan, he had been quoted a list of CSR funding that MM provides to the community, proving that CSR was used as leverage, “because they do this social funding, the social funding program, then the community should support them” (Josef, interview). This was also noted in my direct observation notes during the PAC hearing in September 2015 where supporters of MM Mining extension heavily focussed on the CSR efforts of the company, detailing the grants, lists of community groups and outcomes achieved by MM Mining’s CSR funding.

By using CSR as leverage, MM Mining was able to increase their power over community, but also government, according to community interviewees. This increased power meant that government process had diminished impact on MM Mining and their mine extension. According to the interviews with both Steve and Mary, MM Mining was going ahead with land acquisition in Forestville whilst the Land and Environment Court proceedings were underway. In the words of Steve, legal proceedings had little impact on MM Mining’s course of action, “they’ve basically made up their mind that they’re going to take [section of Forestville] … That’s their decision, and they’re sticking with it” (Steve, interview). This was echoed by Mary, who stated that MM deployed CSR “because they can manipulate the state government into supporting them”. Table 10 below, summarises the codes and aggregate theme for the community stakeholder data.
Table 10: Community stakeholder data on global governance, Co-optive CSR theme

<table>
<thead>
<tr>
<th>First order codes</th>
<th>Second order code</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take the place of council</td>
<td>Buying us out</td>
<td>7</td>
</tr>
<tr>
<td>Off the hook</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Win us over</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At the critical stage of approval</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trying to get people onside</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buying their way</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buy our silence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Take the place of council</td>
<td>Take place of council</td>
<td>2</td>
</tr>
<tr>
<td>Local government off the hook</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.2.2 Soft Law

The second feature of Scherer and Palazzo’s (2011) PCSR frame of reference is the shift toward soft law. Scherer and Palazzo theorise that corporations engaged in PCSR are increasingly relying on multi-stakeholder initiatives and soft law regulatory frameworks to fill the growing void in regulatory gaps under globalisation. Businesses self-regulate under soft law frameworks in contexts where there is no extant hard law or where state regulators are unable or unwilling to enforce legislation.

The research question applied to the soft law feature of the framework was: How does soft law influence MM Mining and its relationships with stakeholders? In the current case study, the theme most related to soft law was rhetoric contradictory to practice. These themes are summarised below in Table 11. MM Mining indicated strong interest in soft law initiatives such as “local agreement-making” (citation withheld) and a focus on UNGC reporting. MM Mining leaders were clear that their use of soft law was mostly for instrumental outcomes such as securing expansion of operations. On the contrary, government stakeholders felt such moves were somewhat ineffective and community stakeholders reported to feeling overwhelmingly marginalised as the company appeared to disregard their perspectives. In all, the move toward soft law mechanisms ultimately showed rhetoric was contradictory to practice in the case study, with various dialogues ongoing but few if any self-regulatory outcomes related to community engagement. Table 11 summarises these themes and the frequency of codes that occurred for each stakeholder group.
5.2.2.1 Corporate stakeholders

We try to put communities at the centre of everything we do (Harold, interview).

MM Mining’s senior leaders emphasised that hard law did not set the standard for MM’s engagement with community but that rather MM was guided by the expectations of the local community. Furthermore, MM aimed to develop a set of social performance indicators in order to evidence their alignment to soft laws, such as the MDGs and UNGC. MM senior leaders reported that these performance indicators were developed in line with local community expectations, comprehensive social impact data and global frameworks such as MDG and UNGC. MM reported that although these were not mandated, they nonetheless aim to report against these soft laws in order to meet community expectations.

The senior leadership of MM Mining described how they aimed to achieve local agreement making that prioritised community need over and above regulatory mandate. This was evident in a number of public interviews given by senior leaders of MM Mining, with statements such as, “we try to put communities at the centre of everything we do and develop a direct relationship with community” (Harold, secondary data). Harold also stated that this agreement making was increasingly formal “we need to dignify our relationship with communities through formally agreed processes” (Harold, secondary data). Similarly, Dee stated that “we have stringent and robust standards for communities’ work” (secondary data). The local community relations officer described how the ultimate goal was “co-ownership of the mine with community stakeholders” (Sam, interview).

However, MM Mining’s goal of deliberation or ‘co-ownership’ with community appears to stand in contradiction with their description of their consultation approach, which appeared to take a focus on business objectives and legislative requirements. As described by the community relations officers and senior leaders, the role of communication (under the company mandate of community consultation and engagement) was primarily in sending out messages regarding company decisions into the public domain. If there was any public concern over a decision, then the public would need to address their issues to the government’s Department of Planning and Infrastructure during the mandated public submission period. According to Dee the process is to ensure expansion rather than community outcomes, “MM Mining has just signed 11 agreements with traditional owner groups… to ensure expansion, so there’s
a business case” (secondary data). The company approach of consultation stands in contrast to both the community relation team’s notion of ‘co-ownership with community’ and the senior leadership’s notion of ‘going beyond mandate’.

5.2.2.2 Government stakeholders

[MM] made a more concerted effort to communicate, but most people really couldn’t care less (Dennis, interview).

For local government, they felt that engaging community in issues related to regulation of mining quickly became impracticable or were ultimately ineffective. For instance, government interviewees reflected on how the Community Consultative Committee (CCC) of MM Mining was either ignored by community or otherwise used as an outlet to vent frustrations. According to Ned, the role of the CCC was “listening to community concerns and informing the community. How successful that was, I question” (interview). Ned elaborated on the issue, “I questioned the efficacy of a community consultancy because my experience was that there were people on there pushing their own issues”. Dennis added that “[MM] made a more concerted effort to communicate, but most people really couldn’t care less” (interview). For Ned the solution was a purely pragmatic one “some community will push a barrel, so the council need to take those issues and work through them on facts alone” (interview).

Ned gave an example of a previous regulatory issue to illustrate his concerns. In this previous case, the council had drafted consent conditions for the mine based on one community stakeholder’s needs. Ultimately, this led to issues for the council in the longer term as they were unable to ever satisfy the community member.

One local guy went into the council meeting and objected to certain aspects of the mine extension, so it got scribbled into a consent condition, this turned into a dreadful rod for our back… It was an unworkable consent condition, part of the problem with having too much consent authority without fully understanding the legislation (Ned, interview).

5.2.2.3 Community stakeholders

With [MM Mining] it’s just a one-way street, and it’s their freakin’ street. We’re nowhere even on it (Martine, interview).

Community members from Forestville had a different perspective than government or corporate stakeholders. Overwhelmingly, interviewees felt that they were not engaged at all within the company’s soft law remit, but rather, were treated
as a problem that the company set out to manage. This was clearly explained by Martine, “when they do engage with the community, or ask our opinions, they should follow up. They don’t follow up on information that we give them” (interview). Martine reflected on MM Mining’s communication approach where the company sets out to communicate decisions with no flexibility in taking on community feedback, “they're concrete about the way they see things; they're focused on whatever it is they need to achieve… they're closed off completely to outside perspectives” (interview).

Josef validated this issues by talking me through an example of how a consultation conversation occurred between himself and the MM Mining community relations officer. When asked for his feedback on a proposal, Josef gave his view, saying “we think the noise is going to be too loud”, to which the MM mining officer replied “Well, yeah, unfortunately this is what the [Planning] Department is allowing us to do. I’m sorry, but yeah, that’s what it is”. Josef questioned “why do they bother asking then?”

This was validated by feedback from Steve, saying “we asked for things like a group meeting. They declined that. They didn’t want to go about it” (Steve, interview). Josef’s statements also echoed this issue, “they’ve come out and they’ve spoken about their proposals but not to get community’s input or views. They come out to tell you what they’re going to do”. Also, further clarifying his perspective on why this is the case, Josef stated “all their engagement with us is quite structured. There’s no impromptu stuff. They will only give you the statement that is approved by Brisbane” (Josef, interview).

Martine conceded that in light of the newest extension application, MM Mining had (for the first time) sought out community feedback via social impact assessment. However, this process proved uneventful in terms of actually negotiating with community on their issues. Patricia stated in interview that during the social impact assessment forum “one of the guys stood there and talked and you could ask him questions. He was more or less ‘this is how it’s going to be’. No matter what you said, it didn’t matter”. Martine summed this feeling up by saying “With [MM] it’s just a one-way street, and it’s their freakin’ street. We’re nowhere even on it”. Martine also expressed her frustration about community suggestions being ignored, saying

there are some things that we have put forward that we would like them to do [for the mine extension], like go underground, to maybe operate during day hours and maybe
cease at 9:00 or 10:00 at night so then they’re not operating all through the night. They don’t want to do that because that doesn’t fit within their business plan (interview).

In terms of the company’s strategies to engage the community, such as the community consultative committee (CCC), there were also concerns. Mary explained that despite attended CCC meetings she was “kept in the dark” and would only learn about new mining proposals once they reached the media. Steve also explained that the CCC had been ‘scrubbed’ following the initial extension plan rejection “all the membership was sacked and we had to reapply for those positions” (interview). Steve also pointed out that the local council is no longer involved in appointing a chair for the CCC

they formed the new [CCC] which is chaired by one of their, I would say, cronies for the department. Whilst he does a good job. He does his job but he’s very strict on time and you can’t ask the questions that you’d like to because of time constraints.

Josef detailed how he had attended CCC meetings and repeatedly requested information on a Land Protection Zone Agreement that MM Mining had signed with the council. Yet, he was continually told that the information was confidential. Later, he found that not only could this information be accessed under the freedom of information act, but that the Department of Planning had nullified the agreement as it had never been properly registered as per due process. The annulling of this agreement created an easier route for the mine extension to go ahead. It was clear that the Forestville community felt actively marginalised by MM Mining, both in general consultation process and in the specific CCC activities that had taken place. A summary of the different stakeholder perspectives, along with the frequency of coding is presented in Table 11, below.
Table 11: Data on role of law by stakeholder groups

<table>
<thead>
<tr>
<th>First order codes</th>
<th>Second order code</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Stakeholders</td>
<td>Local agreement-making</td>
<td>7</td>
</tr>
<tr>
<td>Talk people through</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Talk about process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comes back to consultation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transparency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government Stakeholders</td>
<td>Ineffective</td>
<td>6</td>
</tr>
<tr>
<td>Who knows?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>They could do it another way</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money doesn't stay in community</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If they were smarter</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Stakeholders</td>
<td>Marginalised</td>
<td>9</td>
</tr>
<tr>
<td>No response to our concerns</td>
<td></td>
<td></td>
</tr>
<tr>
<td>It's all very structured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kept us in the dark</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refused to meet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secretive</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.2.3 Broadened scope of responsibility

The third feature of Scherer and Palazzo’s framework is scope of responsibility. This feature theorises the shift toward a wider scope of responsibility under PCSR, one that is forward looking and takes a pro-active approach to pre-empt potential future issues. The research question considered in relation to the data on scope of responsibility was: In what ways does MM Mining engage in a broadened scope of social responsibility?

Topic coding revealed that for this feature, the most relevant theme for the case study was instrumental CSR. From a corporate perspective, this reflected MM Mining’s ‘social license to operate’ approach to CSR. For government, they perceived MM’s approach as somewhat short-sighted. For community, they perceived MM’s CSR initiatives as an attempt to ‘divide and rule’ community groups. These themes are summarised in Table 11 below. The coming section details both the whole case theme of instrumental CSR, and the stakeholder perspectives.

Instrumental CSR was a common theme across all three stakeholder groups. In particular, this was reflected in the corporate stakeholder group with their theme of social license to operate. Social license to operate as defined in Chapter 3, involves
informal consent from the society in which the mine operates. As pointed out by Owen and Kemp (2013) the SLO may serve as an instrumental mechanism to protect access to land or resources and thus the bottom line. It was clear that MM Mining understood that CSR was one avenue for achieving community tolerance and thus securing a social license for ongoing business operations. MM’s global leaders had referred to this as “enlightened self-interest” in the secondary data. MM Mining interviewees also stated that CSR was “about the community level of acceptability for what we do” and termed this “social license to operate” (Drew, interview). For the government stakeholders, it was clear that these CSR efforts of MM Mining appeared somewhat superficial or short-sighted. Dennis summed this up by saying “I suspect it [CSR] is in response to community concern whereas if they were smarter they would be pre-empting a lot of this stuff”. The interview with community leader Josef gave insight into the community’s perspective of MM Mining’s CSR, he stated “there is a great deal of mistrust of what MM is doing and saying with regard to social responsibility. We don’t believe they have any.”

5.2.3.1 Corporate stakeholders

The work we do with communities is just plain good business (Harold, secondary data).

The interview data from MM Mining representatives indicated their instrumental approach to CSR. Namely, that community tolerance needed to be achieved in order for the mine to successfully operate. There appeared to be a general sense in the interviews that a social license to operate was another ‘box to be ticked’, much like a regulatory license, “in terms of license to operate, so there’s an acceptance or a tolerance, to reach an approval” (Sam, interview). This stance was further reflected with Community Relations interviewee Drew, who stated, “we talk about it as like a social license to operate. You’ve got your regulatory license to operate and some say it’s just another regulatory license to operate.” In media interviews MM’s global leadership echoed their community relations team, with one senior leader stating, “rather than relying on a sovereign legal entitlement to operate, we also have to secure a local social license to operate” also adding “we consider it enlightened self-interest” (Harold, secondary data).

Importantly, when discussing the global MM Mining group’s approach to local agreement making and negotiation, Harold clarified that any community work must fit
within the MM business proposition. Harold gave one example where MM had negotiated with local community for a number of years on a mine expansion and ultimately signed 11 local agreements with the communities “to ensure expansion”. This choice of words indicates that the SLO style agreements that MM Mining has brokered with communities had an overarching instrumental agenda, that is, of ensuring continued business operations and thus protecting or enhancing the bottom line.

5.2.3.2 Government stakeholders

Taking the cheapest option, sometimes is at the expense of the community around you (Dennis, interview).

Data from government interviews revealed the perception that MM’s CSR approach was short-sighted. This occurred in two ways, firstly, each government interviewee stated that CSR often focused on short-term gains, and secondly, interviewees reflected on how MM lacked insight into community needs. During interview, it was reported that MM was often reactive rather than proactive. For instance, MM had emphasised that the community would benefit greatly from employment with MM, however this approach was ill-considered according to local government member Dennis, “Does the work environment in the mines equip [employees] to work outside the mines… that would allow them to make them transportable skills?” This issue was confirmed by Ned who stated, “the mining company really wasn’t aware that 70% of their employees don’t live in the community, they commute” (interview). This reveals a lack of understanding on the part of MM mining with regards to their local community and employee stakeholders. This was elaborated on by Dennis who said

Because a lot of the arguments used to be that the mines going for an extension, but if we extend this mine, we’re going to extend the life of the mine for 20 years, so we’ll be keep employing the people and we’ll bring all this money into the community. The money doesn’t stay in the community at least half the time (interview).

The local government officials reflected on MM’s CSR approach in comparison to other nearby mines. In doing so, they found MM’s CSR less sophisticated than other major mining firms that were more collaborative, flexible and future focussed in their efforts. For instance, interviewee Ned stated, “I think with MM, we just … aloof is not the right word because they’re not. I think they’re probably more corporate in their
approach.” Also comparing MM to other companies, Freya, a teacher at the local public school, reflected on how MM Mining tended to take a more transactional approach with the community, compared with other companies who had a longer-term engagement style, she stated

things we’ve got from MM Mining have been for one-off [grants]. Whereas I know [other mining company] have, just in the schools alone... gave something like $60,000 over five years in every Primary School in Town. It was more a long-term thing.

In explaining the differences between MM Mining and other companies, government interviewees reflected on how managerial decisions for MM Mining were not made at a local level and this led to less effective decision-making for community outcomes. Dennis stated, “a lot of those big decisions are made in the boardroom probably overseas… there’s isolation between management and what’s happening on the ground” (interview).

Interviewee Ned also raised a similar concern regarding MM Mining’s decision-making process. Ned explained that in previous decades, mine planning applications were assessed and approved by the local council. Moreover, MM Mining’s decision-making was also made at a local level via local managers in previous decades. In more recent years, both MM Mining and the NSW Government have centralised decision-making processes, which Ned sees as problematic. The issue of centralised decision-making was particularly evident in relation to mine extension planning. Ned reflected on how there was a lack of awareness of local community issues “we’ll bring all this money into the community. But the money doesn’t stay in the community”. Dennis was also critical of the approach taken to the MM mine extension, saying

I believe they can do it [mine extension] underground and I believe they can do it some other way. Taking the cheapest option, this perhaps is the way to put it. Taking the cheapest option, sometimes is at the expense of the community around you (Dennis, interview).

Despite their numerous concerns about the CSR approach of MM Mining, each of the interviewees agreed that working with the company could lead to beneficial outcomes for the government and community stakeholders. While government stakeholders acknowledged some limitations in MM’s CSR approach, it was community stakeholders who expressed the most dissatisfaction. There was a significant gap between MM Mining’s rhetoric about respecting community and the
community’s perspective of how they were treated. For instance, according to MM Mining “a large part of that is maintaining the respect of the parties involved and respecting the fact that everybody has got a different perspective” (Sam, interview). Yet, according to community members, not only had they felt disrespected, but they perceived MM Mining as setting out to ‘divide and rule’.

5.2.3.3 Community stakeholders

We called it the Trojan Horse set up (Steve, interview).

The community participants were generally critical of the role of CSR, with Josef saying, “there’s is a great deal of mistrust of what MM is doing and saying with regard to social responsibility — we don’t believe they have any” (Josef, interview). According to Steve, CSR allowed MM Mining to create a “Trojan Horse set up”, whereby MM could infiltrate and undermine the Forestville community by funding small initiatives to prove their “chance of success if they can be seen to want to support the community” (Steve, interview).

A view was expressed by some participants that the community was divided by the MM mine expansion plan. Accordingly, this divide was capitalised upon by MM Mining who sought to use CSR funding to create alliances with certain community groups. Professional or friendship groups that already existed in the community became increasingly divided over the extension controversy; this occurred in both Forestville and Minetown. There was evidence in interviews from community members in Forestville of active efforts from MM management to get the more neutral community members ‘on side’ by offering CSR funds directly to any project they desired, with interviewee Mary stating, “they are now finding weaknesses in the community… they’ve found a group within the community that’s prepared to accept funding”. In the same vein, Steve reported

this little group was formed and we can’t say it for sure, but we have feeling that [MM Mining community relations officer] was backing them… they were more for the mines. We had a lot of criticism from them. We suffered abuse from them.

Community members believed this was a CSR Trojan horse to further polarise the community and gain wider social license for their expansion, as Steve stated [MM Mining] approach [other community members] to come on board and accept donations. It tended to divide the community I believe that’s precisely what they had
Community member Martine, whose relatives work for MM, asserted that MM Mining also seek to divide and rule within their own workforce in order to bolster their power over stakeholders. In Martine’s words “They love to divide people. They do it within their workforce. They've divided the community here”. Martine explained that dividing the community empowered MM Mining to overcome resistance more easily, saying “instead of everyone working as a whole, they just start picking everybody off one by one.” For Martine, it was not possible to give too much information about her relatives working for MM Mining due to concerns about repercussions. A summary of stakeholder perspectives on the interview data and codes from this section is contained in Table 12, below.

Table 12: Data on scope of responsibility by stakeholder groups

<table>
<thead>
<tr>
<th>First order codes</th>
<th>Second order code</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate Stakeholders</strong></td>
<td>Social license</td>
<td>6</td>
</tr>
<tr>
<td>Social license to operate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>We call it social license</td>
<td></td>
<td></td>
</tr>
<tr>
<td>An acceptance or tolerance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A regulatory license</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A hope to operate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community acceptability</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Government Stakeholders</strong></td>
<td>CSR as short-sighted to local concerns</td>
<td>8</td>
</tr>
<tr>
<td>Expense of the community</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Could do better</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disconnected from local community</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Community Stakeholders</strong></td>
<td>CSR as divide and rule strategy</td>
<td>8</td>
</tr>
<tr>
<td>Buying our silence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tended to divide people</td>
<td></td>
<td></td>
</tr>
<tr>
<td>They found our weakness</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.2.4 Legitimacy

The fourth feature of Scherer and Palazzo’s (2011) five feature framework is legitimacy. While traditional CSR efforts may focus on pragmatic or cognitive legitimacy considerations. PCSR requires a deeper engagement with civil society in order to build legitimacy through moral reasoning. For the feature of legitimacy, the research question applied to the case was: How do moral considerations influence stakeholders with regards to MM Mining’s legitimacy? The emergent related theme around this question was conflicting perspectives. The corporate stakeholders reflected
their emphasis on respecting different perspectives of stakeholders. For government stakeholders they reported feeling unequipped to deal with issues around morality. For community, there was a clear theme around feeling the expansion case was immoral. Table 11 summarises these themes below.

Conflict between stakeholder perspectives occurred across the entire case study, but this was particularly marked in relation to perspectives on legitimacy. For MM Mining interviewees, there was a sense that their engagement with different community perspectives granted them an enhanced sense of legitimacy. Perhaps for some government or industry stakeholders this assumption rang true, though generally government stakeholders reported to concerns around morality being outside of their purview. On the contrary, community interviewees reported that MM Mining’s consultation approach only further emphasised their perceptions of immorality. There was a significant gap between perspectives of stakeholders around legitimacy.

5.2.4.1 Corporate stakeholders

Quite often, people’s experience… is different to what the compliance level is (Dee, citation withheld).

Both at the global level (with senior leaders) and the local level (with community relations officers), MM Mining’s staff relied on the notion that community held different perspectives to the company. In fact, MM’s representatives appeared to infer that the issue was community perceptions being out of touch with reality. For instance, senior leader Dee relayed the issue of dust pollution for the region around Minetown. According to Dee the dust pollution was not an issue in reality but rather in people’s minds “there’s a perception and a reality, for instance we may understand that the reality of dust is that it doesn’t create health problems” (citation withheld). The solution proposed by Dee was to communicate to bridge the gap between reality and perception to overcome “the emotional responses people are having about mining” (citation withheld). This approach was reaffirmed by the local community relations officer Sam, who gave the example of noise pollution “quite often, people’s experience of noise is different to what the compliance level is” (interview).

Beyond doubting the credibility of some community perspectives, MM Mining’s representatives also reflected on the high levels of expectations from community members. According to senior leader Harold, communities are increasingly seen to
“benchmark their expectations against best practice elsewhere in the world” (citation withheld). Presumably, community members are gaining insights and knowledge on CSR practices globally by engaging online with NGOs and community groups. The notion that the Forestville community had high expectations was also reinforced by community relations officer Sam who emphasised that “because of the context [Australia] within which we’re operating into that level of expectation is extremely high” (interview).

5.2.4.2 Government stakeholders

Some might argue that the company is immoral (Ned, interview).

Concern about community expectation was not necessarily validated across stakeholder groups. For government stakeholders, the issue of morality or ethics was largely unacknowledged. According to Ned “I don’t know if the local government representatives are equipped to get to the nub of a moral argument like that”. Though Ned conceded that “some might argue that the company is immoral” but nonetheless the government’s role was to rely on legal requirements rather than moral codes “it may not be morally right all the time, but it is legally right”. For the local government, emphasis was on legislative requirements and evidence-based community needs. The notion of ethics or legitimacy appeared to be somewhat outside of their remit. This is indicative that the government operates on the basis of pragmatic legitimacy, without consideration for moral sense-making.

5.2.4.3 Community stakeholders

They are breaking that unwritten law (Mary, interview).

For community interviewees there was validation of MM Mining’s approach to dealing with pollution concerns. For instance, Martine reflected on how her queries or complaints are usually dismissed by MM Mining, where other mining companies are more open to such feedback “the other mines, you complain, and they say, ‘All right, we’ll see what we can do about that,’ but the first thing [MM] people say is ‘Oh no, that’s not right.’” (Martine, interview). For Martine, this consultation approach weighed heavily on her perspective of the firm’s legitimacy and proved their lack of integrity “the fact that you would expect them to have some integrity and some concern”. Martine emphasised that she was open to consultation but there was no
balance from the company “we can respect them to have their business. They should respect us or allow us to have that balance”.

Generally, community members reflected on the sense that MM Mining was “breaking that unwritten law” (Mary, interview) and that they could not be trusted to follow through on their promises with regards to CSR. According to Richard “you can't trust them because you're always waiting for their ulterior motive”. This was validated by Josef who stated that “a good moral set would be to actually adhere to their statements they made in their websites about the social, environmental and economic responsibilities”. Josef was clear that the rhetoric around CSR did not match the actions “it is whether the mining company actually follows through and is putting into action those [CSR] statements is to whether the company can be viewed as moral” (interview). For Mary, the lack of consultation completely undermined the company’s legitimacy, stating “It’s unacceptable the way they go about their business” (interview).

In effect, there was a deep conflict between stakeholder perspectives of the company’s legitimacy and alignment to moral or ethical concerns. The company appeared to undermine community concerns about pollution and the impacts of living near the mine site. This conflict of perspectives appeared to fracture stakeholder relations further, the community believed MM Mining’s CSR rhetoric contradicted their activities under the remit of community consultation. A summary of each of the stakeholder groups perspectives and coding on interview data is presented below.
### Table 13: Data on role of legitimacy by stakeholder groups

<table>
<thead>
<tr>
<th>First order codes</th>
<th>Second order code</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate Stakeholders</strong></td>
<td>Everyone has different perspectives</td>
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</tr>
<tr>
<td></td>
<td>Different than it is</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Talk about the reality</td>
<td></td>
</tr>
<tr>
<td><strong>Government Stakeholders</strong></td>
<td>Unequipped to deal with</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>moral issues</td>
<td></td>
</tr>
<tr>
<td><strong>Community Stakeholders</strong></td>
<td>MM Mining as immoral</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Deceptive</td>
<td></td>
</tr>
<tr>
<td></td>
<td>It's unacceptable</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Breaking unwritten law</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mistrust</td>
<td></td>
</tr>
</tbody>
</table>

#### 5.2.5 Deliberation

The fifth feature of Scherer and Palazzo’s (2011) PCSR framework is deliberative democracy. This feature of the framework refers to the shift in democratic models under PCSR, away from a traditional liberal democracy and toward a deliberative democracy. In order to conceptualise deliberative democracy under PCSR, Scherer and Palazzo rely on Habermas (1996) as outlined in Chapter 3. This coming section explores the data that related to deliberation based on topic coding of whole case and stakeholder case themes. The question applied to this data related to this section was: How are stakeholder power relations reshaped under deliberative PCSR? For the whole case, an aggregate theme of diminished government power is presented, the different stakeholder perspectives are explained within the coming section. Table 11 summarises the themes related to deliberation, below.

Data obtained from all three stakeholder groups indicated the local government was under serious community and corporate pressure. The shift toward a heterarchical deliberation model, wherein MM Mining played an enhanced political role, appeared to have a destabilising impact on legislative and procedural governmental standards. These standards appeared to be increasingly strained by the impact of MM Mining’s lobbying and negotiation. The government appeared to be reliant on, but also jeopardised by, the CSR support of MM Mining. While community dissatisfaction was a major concern for government stakeholders, it did not carry the same weight as the
significant funds granted to the local government via CSR. For instance, the MM Mining extension plan was approved subject to an $11 million voluntary community fund. The state significance of mining royalties along with the alliance between MM Mining and the state government also meant that local government concerns were easily disregarded. Despite state government overruling local government issues, the state also appeared to be constrained by their alliance with MM Mining. This was demonstrated by the hasty exchanges between state government and MM Mining officials that led to legislation change and the alliance formed by state government and MM Mining in order to appeal the Land and Environment Court ruling.

5.2.5.1 Corporate stakeholders

You can’t get consensus with something like a mine (Dee, secondary data).

The corporate interview data and secondary data from MM Mining revealed numerous contradictions between the MM executive leadership rhetoric and the local level operational approach to deliberation with government and community. For instance, according to the senior leadership team, MM’s organisational culture has been shaped by its strong level of obligation to CSR standards as per the UNGC, in the words of Harold “we place local people’s interests at the heart of everything we need to do, as opposed to jurisdictional prescription or mandate” (secondary data). Yet, another senior leader, Dee, categorically stated that “you can’t get consensus with something like a mine (secondary data). At a local level, the MM operations team had a different message around CSR. The local community relations advisor discussed how the Forestville community issues over the MM mining extension would “probably be dealt with through that regulatory approval process so once the environmental impact statements are lodged with the departments… they’ll make a determination about when it goes on public exhibition” (Sam, interview). This was also validated by ex-local government member Ned who stated that local government concerns could be expressed during the public exhibition period.

On the one hand, MM Mining appeared to rely on legislative requirements, yet on the other hand, MM Mining appeared to actively lobby to undermine those standards. The alliance between government and corporate actors, and the subsequent legislation change to facilitate MM Mining’s extension plan would indicate that regulatory approval processes and the governmental authority that underlies them were
increasingly strained by MM’s political power. These findings indicate that the increased power of MM Mining contributed to the disempowerment of local government. Government interviewees expressed this sense of disempowerment, according to Ned even if the local government resisted a particular mining decision “the legal advice we get then is, well that [council decision], at the end can be overridden by the minister”. This issue was also validated by Freya who stated “there's a perception… that council will do anything to keep the mines happy. What they don't see, too, is that council's actually standing up and saying ‘No’”.

5.2.5.2 Government stakeholders

It’s a balancing act because if the bottom line goes, people get hurt sometimes because they lose jobs (Dennis, interview).

For government stakeholders, there were competing priorities between corporate and community needs. This emerged as a theme for government, that is, the local government’s role in dealing with competing priorities between company and community needs. The local government clearly played a difficult role mediating what were often opposing interests. As stated by Dennis, “What’s more important people or bottom lines? Again, it’s a balancing act because if the bottom line goes, people get hurt sometimes because they lose jobs” (Dennis, interview). In some instances, the corporate and community groups were in direct conflict with one another, where meeting the demands of the company would be in opposition with the needs of community groups. This conflict of interest was a significant challenge for the local government.

Interviewee Ned argued that this issue was about finding a balance between the competing priorities

As an elective representative, your first role is to represent the interests of your community. Now the interest of your community might be that group that have great concerns about that mine encroaching on their area or whatever, but also the interests of your community may well be we want that mine because the town is bringing employment and stuff like that. It’s striking that balance (interview).

It was clear that the local government intended to continue to work closely with MM Mining. Government stakeholders reported they were in somewhat of a bind when it came to the funding they required from MM Mining. As a result, the local government recognised that they were unable to take a particularly hard-line approach
to the MM mine because their authority would be overridden by the state government if they did, “We then looked at, okay, there’s got to be a trade-off for us, under community enhancement program” (Ned, interview). It was in the best interests of the local government then, to seek compensation from the company for community development funding wherever possible.

5.2.5.3 Community stakeholders

The Department of Planning and the mines are basically the same entity. They discuss ways to get these approvals through, and so it goes (Josef, interview).

For the local community members involved, the theme most related to the concept of deliberation was their growing distrust in government. Distrust in government was a prominent theme that emerged from community interviews. For many of the community interviewees, the alliance formed between the state government and MM Mining during the court appeal process, proved their distrust. In the words of Josef “the Department of Planning and the mines are basically the same entity. They discuss ways to get these approvals through, and so it goes”. According to the community, this government-corporate alliance was crucial in overwhelming community resistance to the MM mine extension during the deliberation process.

It was clear that the community were well informed and aware of the possible collusion between the company and government that occurred around the MM extension plan. As commented by Josef “when you follow an approval process as closely as we had with this, you realise that the Department of Planning and the mines are basically the same entity. They have a common goal” This was validated Steve, who said “we’ll never beat the state government because the state government can and do change the rules”. He explained how the changes to legislation were directly set up “to allow this extension to go ahead and take away a right of appeal. If that’s not corruption, I don’t know what is”. Community member Linda also reflected on corruption stating “[the extension] has been subject to an enormous amount of corruption. We’ve got huge problems with that planning law”.

The community were active in investigating the alliance between government and corporation and had pushed for a corruption inquiry to take place. This clearly illustrate the tensions between community, government, and corporation. According to community member Linda, there were major concerns about the validity and
integrity of governmental powers “You can’t go to the High Court on an environmental matter so one would think…they have to reject it. Otherwise it means that the legislature is more powerful that the judiciary”. Other community members questioned why the government had joined forces with MM Mining in order to appeal the ruling against the extension plan. As commented by Joseph

it’s not a major infrastructure project such as a road or a dam or a power station or an airport that has advantages for a lot of people. The major advantage of this type of work is to a corporate entity. Why then is the government so keen to get [the extension] approved? Well, it’s because it puts money into the government coffers (Josef, interview).

The instability of government planning processes were an issue for interviewees. Interviewees reported that planning laws were both unpredictable and unfair on the community. According to Linda “I think the government changes the rules, and I don’t think that’s all that clear. I think the government’s got a lot to answer for” (Linda, interview). Richard echoed a similar statement, saying that “I really feel that the whole problem still comes back to the Department of Planning. Until we have a fairer Department of Planning they can’t just keep making up rules to suit them all the time” (Richard, interview). The public hearing process during the Planning Department’s assessment of the extension plan also received criticism. Various community members stated that they felt the public hearing was pointless, such as Mary who stated “as far as I’m concerned, [public hearings] are a waste of time … I don’t think they’ve listened to one thing we’ve said”. Raymond also pointed out that the submissions process could be exclusionary, as many community members struggled to fully comprehend the legislation and respond effectively during the public hearing, “Anything that happens in the community with government or anything, you’ve got to write a submission. Right? What about the poor people who can’t…?” (Raymond, interview).
Table 14: Data on deliberation by stakeholder groups

<table>
<thead>
<tr>
<th>First order codes</th>
<th>Second order code</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate Stakeholders</strong></td>
<td>Contradictory consultation approach</td>
<td>4</td>
</tr>
<tr>
<td>Comes back to consultation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depends on legislation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jurisdiction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local interests at the heart</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Government Stakeholders</strong></td>
<td>Competing priorities between community and corporate needs</td>
<td>8</td>
</tr>
<tr>
<td>Retain balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>People or bottom lines?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perception that council will do anything</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Striking that balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade-off for us</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Community Stakeholders</strong></td>
<td>Distrust in government</td>
<td>6</td>
</tr>
<tr>
<td>Amount of corruption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Problems with planning law</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government has to answer for</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government and mines are basically the same</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.3 Summary

This chapter has reviewed the data that was gathered from fieldwork for the case study. The primary data source was semi-structured interviews. The interview data were also supplemented with secondary data such as company reports and publicly available interviews with senior leadership (identified as secondary data throughout). First and second order codes were identified for each stakeholder group and aggregate themes were developed around the five PCSR features as defined by Scherer and Palazzo (2011) and the research questions identified at Section 3.6.4. In Tables 8, 9 and 10, examples of first and second order codes were provided. Table 11, 12, 13 and 14 provided a summary of the codes and themes for the five PCSR features according to the three stakeholder groups.

The key themes were presented in this chapter around the five features of PCSR and the research questions developed around those. For the feature of global governance, the research question posed was: How has the role of MM Mining been reshaped by global governance initiatives? The aggregate theme for the case study was increased corporate power. Within the corporate stakeholder group this was seen in the theme of the company being empowered by PCSR. Government stakeholders
reflected a theme of coercive CSR, whilst community members reported a theme of CSR as co-optive. The second PCSR feature is scope of responsibility, and the question applied to this element of the framework was: How does soft law influence MM Mining and its relationships with stakeholders? The overarching theme for the whole case study was instrumental CSR. At the stakeholder group level, the corporate stakeholder’s data reflected a theme of social license to operate, while government stakeholders reported on CSR as short-sighted and community members data indicated a theme of CSR as divide and rule. The third theme of Scherer and Palazzo’s PCSR theory is soft law and the research question developed for this section was: In what ways does MM Mining engage in a broadened scope of social responsibility? The aggregate case study theme was contradictory rhetoric and practice. For corporate stakeholders this was reflected in their theme of local agreement making, government stakeholder data reflected on soft law mechanisms as ineffective, while community members overall had a theme of marginalisation by soft law.

Legitimacy is the fourth theme of the PCSR framework of Scherer and Palazzo (2011). The research question related to the legitimacy theme was: How do moral considerations influence stakeholders with regards to MM Mining’s legitimacy? The overarching theme for the case study was conflicting perspectives. At the stakeholder level, the corporate data had an emergent theme for community opinion differing from reality, the government stakeholder data had a theme of being unequipped for the issue of legitimacy, while community members data saw MM Mining as overall immoral. The final theme for the PCSR framework is deliberation and the relevant research question was: How are stakeholder power relations reshaped under deliberative PCSR? The data showed that the aggregate theme was diminished government power, which was reflected in corporate stakeholder data as contradictory consultation approach, and as competing priorities for the local government stakeholders, while community reported a theme of distrust in government. These results are summarised in Table 15 below, and will be further analysed in relation to the key research questions and PCSR framework of Scherer and Palazzo (2011) in Chapter 6.
Table 15: Summary of themes categorised according to the five features of PCSR

<table>
<thead>
<tr>
<th>PCSR feature</th>
<th>Case study aggregate theme</th>
<th>Corporate stakeholder theme</th>
<th>Government stakeholder theme</th>
<th>Community stakeholder theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global governance</td>
<td>Increased corporate power</td>
<td>Empowered by PCSR</td>
<td>Coercive CSR</td>
<td>Co-optive CSR</td>
</tr>
<tr>
<td>Scope of responsibility</td>
<td>Instrumental CSR</td>
<td>Social license to operate</td>
<td>CSR as short-sighted to local concerns</td>
<td>CSR as divide and rule strategy</td>
</tr>
<tr>
<td>Soft law</td>
<td>Rhetoric contradictory to practice</td>
<td>Local agreement-making</td>
<td>Ineffective</td>
<td>Marginalised</td>
</tr>
<tr>
<td>Legitimacy</td>
<td>Conflicting perspectives</td>
<td>Different perspectives than reality</td>
<td>Unequipped to deal with moral issues</td>
<td>MM Mining as immoral</td>
</tr>
<tr>
<td>Deliberation</td>
<td>Diminished governmental power</td>
<td>Contradictory consultation approach</td>
<td>Competing priorities between community and corporate needs</td>
<td>Distrust in government</td>
</tr>
</tbody>
</table>
Chapter 6 - Discussion

6.1 Introduction

In Chapter 5 the results of the case study were presented with prominent themes identified around the five features of Scherer and Palazzo’s PCSR framework (2011). In this chapter, these findings are analysed according to the research questions derived from the five features of Scherer and Palazzo’s (2011) framework. This section will consider the deliberative PCSR processes as they emerged out of interactions between corporate, state and civil society actors. Based on the empirical data presented in Chapter 5, this section will demonstrate how these interactions produced outcomes that favoured corporate interests over social, environmental and community interests.

6.2 Research questions

This chapter presents an analysis of the case study findings based on the research questions derived from Scherer and Palazzo’s (2011) framework. To reiterate, the research questions identified were: How has the role of MM Mining been reshaped by global governance initiatives? How does soft law influence MM Mining and its relationships with stakeholders? In what ways does MM Mining engage in a broadened scope of social responsibility? How do moral considerations influence stakeholders with regards to MM Mining’s legitimacy? How are stakeholder relations reshaped under deliberative PCSR?

The findings are analysed in light of the final research question and key research problem: How can the framework of PCSR better account for community stakeholder perspectives? In answering the final research question, a theoretical extension to the current PCSR framework is presented. In presenting the extended theoretical framework, this thesis addresses a significant research gap in the field, specifically on understanding the implications of PCSR, from a localised Australian context and community perspective. In each section, each of the five PCSR features will be systematically reviewed based on case study data and the emergent themes presented in Chapter 5. Discrepancies and gaps between the PCSR framework and the case study data will be examined in more detail.
6.2.1 How has the role of MM Mining been reshaped by global governance initiatives?

Interview findings suggest that participation in global governance initiatives has enhanced MM Mining’s power amongst stakeholders. This is supported by interview findings presented in Chapter 5, in which community interviewees reported feeling undermined by CSR, whilst government stakeholders interviewed indicated a sense of reliance on CSR funding. MM Mining’s data indicated that the company felt vindicated in their approach to economic development, regardless of the community resistance. These results suggest that PCSR has played a role in shifting power relations in favour of the corporation. This section explores global governance, comparing Scherer and Palazzo’s theory (2011) with the findings of the case study. The key gaps are summarised in Table 12, below.

Scherer and Palazzo (2011) argue that the forces of globalisation shift governance from traditional state-based and hierarchical mechanisms to global, integrated, multi-actor initiatives. According to their theory of PCSR, governance initiatives such as the UNGC fit the definition of PCSR; that is, they are heterarchical and global, relying on a multi-actor network. MM Mining’s active involvement in global governance initiatives includes being a founding signatory of the UNGC (citation withheld) with the attendant requirement to report annually against the ten principles for ethical business practice as defined by the UNGC (see Appendix D). To this end MM Mining has developed a specific self-regulatory approach, outlined in their various community policy documents (citation withheld). This kind of shift, towards globalised participatory networks that collaborate on multi-stakeholder initiatives, is reflective of the global governance feature in PCSR theory.

It is assumed in the PCSR model (Scherer and Palazzo 2011) that the traditional political hierarchy has been compromised under the pressure of globalisation and consequently the corporate sphere and civil society have become politicised. The case study demonstrates this in several observations. One clear example is the community stakeholder theme of distrust in government. Despite the MM Mine extension being initially approved by the state government, the community rejected this plan. Large segments of the local population mobilised and rallied against the extension, creating an opportunity for deliberation within the Land and Environment Court. Another example is the finding of the community’s perception of being undermined and
deceived, in which a significant factor was the market-state alliance. The state government supported the MM Mining appeal against the Land and Environment Court and the amendments to mine planning legislation during the appeal process. While the appeal failed in the Supreme Court, the scenario was nonetheless a highly politicised one and ultimately led to the mine extension being approved. It was clear that all stakeholders had become highly politicised actors, and traditional political structures had been compromised by the market-state nexus.

As reviewed in Chapter 3, political actors take on a set of heterarchical relations under PCSR (Scherer and Palazzo 2007). All actors in this case, including private (corporate) and civil (community) groups, were indeed politicised, as described in PCSR theory. But the political role of each actor in the case study was contested by all other actors. These heterarchical relations increased contestation, which included petitions, lobbying efforts, and court proceedings. There was little evidence of shared or collaborative effort toward deliberative decision-making. Evidently, the government and corporate actors sought to reinforce traditional hierarchical politics when suited to their needs, forming an alliance to overwhelm the community resistance. As a result, the power dynamics occurring within these heterarchical relations favoured the market-state nexus and ultimately disadvantaged the community. Banerjee (2008a) explains that because the state often sides with the market, communities are frequently unable to participate as equal stakeholders.

The application of Scherer and Palazzo’s theory to this case study indicates that PCSR can be mobilised by the corporate sphere to undermine both public and civil actors and ultimately empower the private sphere. In this case, the corporation leveraged their state alliance to contest the power of the community, evidenced by the case theme of increased corporate power; the government was reliant on CSR contributions, while the community felt undermined and silenced. However, the issue of power relations between stakeholders is largely unaccounted for in the theoretical framework of Scherer and Palazzo (Banerjee 2017). This gap will be examined in more depth in the coming sections.

Within the PCSR framework (Scherer & Palazzo 2011), corporations that develop private governance initiatives are re-setting the global standards of business practice, and this case study gives insight into this process. But while Scherer and Palazzo (2011) theorised that this would translate into enhanced self-regulation or
community engagement, it did not necessarily occur in this case study. This study was indicative of the way global governance mechanisms may support a corporation to impose economic development, even on unwilling communities. MM Mining’s uncompromising stance about economic development was backed by powerful transnational mechanisms like the MDGs. This seemed to serve as reinforcement for MM Mining to enforce business decisions upon community groups. Whilst MM Mining created a strong rhetoric of their commitment to multi-stakeholder governance, this played out at the local level as less of a limit or constraint to their behaviour, and more as a tool to embolden their business decisions. In fact, the evidence indicates that they worked to re-shape mine planning legislation in their favour. Their high level of influence was also reflective of their global reach, evident in the lobbying efforts of their international executives. In doing so, it is possible that MM Mining violates Principle 10 of the UNGC for anti-corruption (see Appendix D). The UNGC states that “corruption can take many forms that vary in degree from the minor use of influence to institutionalized bribery” (UNCAC 2005).

While MM Mining may adhere to some principles of globalised governance as per PCSR; this appears to have empowered their political influence and reach. That MM senior leaders could in effect co-create state legislative change is demonstrative of how global corporate reach can be used to enhance instrumental outcomes and circumvent social responsibility. The involvement of MM Mining in global governance initiatives also appeared to augment the company’s perception of their own legitimacy, believing that they were fully justified in their decision making. These outcomes are summarised in Table 12 below, comparing the outcomes of the above discussion with the governance framework as defined by Scherer and Palazzo (2011).
Table 16: Key gaps between PCSR governance framework and case study findings

<table>
<thead>
<tr>
<th>Governance model</th>
<th>Scherer &amp; Palazzo (2011) framework</th>
<th>Case study outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Instrumental CSR Political CSR</td>
<td></td>
</tr>
<tr>
<td>Political actor</td>
<td>State</td>
<td>State, civil, corporate. Civil sphere undermined by state/corporate alliance</td>
</tr>
<tr>
<td>Mode of governance</td>
<td>Hierarchy</td>
<td>Contested, corporate actor increased power under heterarchy</td>
</tr>
<tr>
<td>Locus of governance</td>
<td>National</td>
<td>Corporation relied on national legislative obligations</td>
</tr>
<tr>
<td>Separation of economic/political</td>
<td>High Low</td>
<td>Low, lobbying activities, corporation was powerful political actor</td>
</tr>
</tbody>
</table>

6.2.2 How does soft law influence MM Mining and its relationships with stakeholders?

Findings presented in Chapter 5 indicate that MM Mining was making efforts toward enforcing soft law and self-regulation, yet these efforts were limited to traditional legislative requirements and were ultimately pursued for instrumental reasons. MM Mining had ample rhetoric about local agreement-making (the MM Mining preferred terminology) however this was more indicative of achieving a social license to operate and gaining access to land, rather than developing truly self-regulatory practices. Government stakeholders reflected on cases where soft law practices had been implemented in the past, interviewees were ambivalent about whether such initiatives were practical. Community stakeholders reported to feeling disengaged, somewhat disrespected and as though their feedback to MM Mining was not heard. This section will review the links between these findings and the theoretical assertions of Scherer and Palazzo (2011) with regards to soft law under PCSR, a summary of the key gaps is presented in Table 13, below.

The current case study demonstrates that MM Mining were making efforts to engage in self-regulation via their community standards and local agreement-making practices. However, the positive impacts of this process for community and social outcomes may not always be positive. MM Mining promotes its own self-regulatory policy that is focussed on aligning to community needs and upholding the UNGC
charte (citation withheld). The shift of MM Mining towards soft law aligns to the Scherer and Palazzo framework of PCSR (2011). This shift is characterised by a more public role, engaging in responsibilities previously the purview of government, such as funding public amenity. The formalisation of this move is evidenced by their adherence to the highest level of UNGC compliance, with annual advanced reporting on the ten principles of ethical practice. This shift infers a change in the division of private sector and state roles. However, this does not necessarily equate to increased self-regulation as theorised by Scherer and Palazzo (2011).

Despite the shift toward soft law at the global level, MM Mining did not appear to be imposing this self-regulation at the local level. MM Mining claims to self-regulate using their community standards framework and a set of social key performance indicators (KPIs) developed in conjunction with local community. However, as the case study revealed, this self-regulation was limited. That is, self-regulation initiatives such as undertaking a Social Impact Assessment were only ever implemented in the face of community demands. This assessment occurred on their third and final mine extension application whilst community opposition was at its peak. The community felt that not only was the assessment carried out in a reactive manner, but the findings were concealed from public hearing. Moreover, MM Mining repeatedly referred to ‘social license to operate’, a theme that emerged from the interviews; yet in practice, MM remained largely resistant to taking on community feedback. It is also relevant to note that much of the MM Mining community standards work was carried out as per the boundaries of the legislative requirements of the state. This was evident during interview with the community relations officer for MM Mining who stated that community concerns about the MM Mine extension would need to be addressed during the PAC public submissions period. This reliance on legislation is indicative of the gap between MM Mining’s rhetoric and action in terms of their self-regulation.

A number of aspects of this case study do fit Scherer and Palazzo’s definition of soft law. First and foremost, soft law involves a low level of obligation. In this case study, the level of obligation was indeed low, this low obligation led to self-regulatory efforts being easily abandoned, as seen in the instance where MM’s social impact assessment was abandoned at the reporting stage. Further, the level of precision of the laws defined within the self-regulatory framework of MM Mining are also low. That
is, they do not specifically prescribe the activity but instead offer vague guidelines for local agreement-making or best practice examples of CSR (citation withheld). The lack of legal precision in this case, meant that the MM Mining community standards framework could be fairly easily reshaped or altogether abandoned in order to support the mine extension.

In terms of delegation, evidence was found that MM Mining primarily assigned authority to traditional legislative requirements. Despite the emphasis on going beyond legislative requirements from MM’s leaders, it was also reported that local community issues were dealt with by state administration during the mine planning assessment process. Moreover, there was evidence that traditional legislative requirements (such as mine planning legislation) could be influenced by MM Mining themselves via lobbying activities. This brought the legitimacy of the entire mine planning process into question for community members.

While MM Mining may appear to be moving towards a kind of self-regulatory and soft-law framework guided by both global multi-actor initiatives (e.g. UNGC) as well as localised self-regulatory policies (e.g. community standards), it appears that in this case study these mechanisms were still limited to traditional hard law requirements, ultimately being pursued for instrumental reasons such as securing access to land (Whelan, 2012). As a result, the soft-law framework of MM Mining could operate as a kind of smokescreen, one that emboldens a sense of legitimacy for the company, without altering their behaviour. In effect, the concept of self-regulation could be deployed as an attempt to manufacture legitimacy through strategic activities (Palazzo and Scherer 2006).

As outlined by Kobrin (2009) “in the longer run, global governance cannot rely entirely on soft law and non-hierarchical compliance mechanisms if it is to be effective” (p. 368). According to Kobrin, self-regulatory mechanisms can only be effective when deployed via an institution with the resources and authority to assess, judge and enforce sanctions for non-compliance. According to the results of this study, Kobrin’s requirements for self-regulation did not occur. Furthermore, these requirements are not captured by the Scherer and Palazzo (2011) framework of law. A summary of the findings of the role of law within the framework of Scherer and Palazzo (2011) is presented in the table below.
Table 17: Key gaps between PCSR law framework and case study findings

<table>
<thead>
<tr>
<th>Role of law</th>
<th>Scherer &amp; Palazzo (2011) framework</th>
<th>Case study outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mode of regulation</strong></td>
<td>Instrumental CSR</td>
<td>Political CSR</td>
</tr>
<tr>
<td><strong>Dominant rules</strong></td>
<td>Formal rules 'hard law'</td>
<td>Informal rules 'soft law'</td>
</tr>
<tr>
<td><strong>Level of obligation</strong></td>
<td>High/enforcement</td>
<td>Low/voluntary</td>
</tr>
<tr>
<td><strong>Precision of rules</strong></td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td><strong>Delegation to third party</strong></td>
<td>Seldom</td>
<td>Often</td>
</tr>
</tbody>
</table>

6.2.3 In what ways does MM Mining engage in a broadened scope of social responsibility?

In Chapter 5, findings indicated that MM Mining largely enacted CSR initiatives that were constrained within instrumental interests. MM Mining referred to this as a social license to operate. For government stakeholders this was reflected in their view of MM Mining’s CSR approach being somewhat short-sighted. For community members, they were far more sceptical and referred to CSR as a campaign to divide and rule. This section will review the gaps between these findings and the theoretical framework of responsibility as outlined by Scherer and Palazzo (2011). The key gaps are summarised below in Table 14.

As described in Chapter 3, PCSR theory emphasises socially connected responsibility (Young 2008). Young (2008) explains that social connectedness has two core features that separate it from traditional liability models of responsibility. Firstly, social connectedness is forward-looking, in that it takes a pro-active approach to prospect for potential issues in the future. Secondly, the sphere of influence in social connectedness is broader. This broader sphere of influence shifts from the local level
to a global reach, such a shift entails actors utilise a network logic that requires collective action and democratic deliberation. This may entail for instance, corporate actors engaging with stakeholders on cosmopolitan issues to achieve a shared solution.

In this case study, MM Mining engaged in several examples of broadened scope of responsibility or CSR. For instance, MM was funding education initiatives and traineeships for local youth and Indigenous Australians (citation withheld). This funding was beneficial to the broader community as well as potentially beneficial for the company who has an increased labour pool from which to hire employees. These initiatives were primarily local in reach but given the expanse of MM Mining operations around the country, they also had a wide-ranging impact on many communities in Australia.

These instances of broadened social responsibility did not necessarily come to bear on the MM Mining expansion controversy. In the case of the mine expansion, it was clear that responsibility for community concerns were only considered retroactively, once court proceedings had been awarded in the community’s favour. Only then was MM Mining seen to engage in a more proactive approach to engage community members. This proactive engagement proved fruitless for the community for several reasons. Firstly, the community had already faced years of feeling excluded and marginalised by MM Mining’s push to achieve a mine expansion. Thus, the proactive community engagement was not actually perceived as proactive by longstanding community members. Secondly, MM Mining’s CSR funding efforts in the local community were seen as a “Trojan Horse” according to community member Steve and a bid to divide and conquer. Thirdly, while MM Mining voluntarily undertook a Social Impact Assessment, this process was abandoned at the reporting stage and community members had speculated that this occurred because the results were not in favour of MM Mining’s expansion plans. This scenario helps to explain the Forestville communities feeling of disengagement toward MM Mining’s CSR efforts.

Based on the work of Scherer and Palazzo (2011), this case study found that MM Mining’s attempts to engage in prospective responsibility (such as SIA) were deployed because of backward looking reasons (existing community unrest). MM Mining’s efforts to engage in a broadened scope of responsibility (such as education initiatives) were perceived as a failed effort by many community members. This was due to long
standing community concerns about MM’s expansion efforts. Nonetheless, MM Mining’s broader scope and attempts to engage in globalised efforts such as implementation of MDGs is reflective of Scherer and Palazzo’s (2011) feature of responsibility. However, Scherer and Palazzo also employ the socially connected model of responsibility (Young 2006) in defining the feature of responsibility, which raises further implications for this study.

Young (2006) argues for the existence of five dimensions of social connectedness. As outlined in Chapter 3, Young’s five dimensions of socially connected responsibility include: actors not isolated, acknowledgement of background conditions, forward looking responsibility, shared responsibility and collective action. Socially connected responsibility must account for the background conditions (such as institutional norms and practices) that led to the social harm occurring and actors must work in a shared capacity to address institutional flaws. However, in this study there was no evidence of socially connected responsibility. The background conditions of the mine extension case included problematic mine planning processes, MM Mining lobbying for legislative change and a long history of tension with community. Far from actors working together to alleviate problematic background conditions, the government and corporate actors formed an alliance in order to reinforce these existing norms. The addition of Young’s model (2006) helps to illuminate the shortcomings of the existing PCSR framework of Scherer and Palazzo (2011) in explaining the outcomes of this study. A summary of outcomes according to Scherer and Palazzo’s framework are presented in Table 14, below.

Table 18: Key gaps between PCSR responsibility framework and case study findings

<table>
<thead>
<tr>
<th>Responsibility</th>
<th>Scherer &amp; Palazzo (2011) framework</th>
<th>Case study outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Instrumental CSR</td>
<td>Political CSR</td>
</tr>
<tr>
<td><strong>Direction</strong></td>
<td>Retrospective</td>
<td>Prospective</td>
</tr>
<tr>
<td><strong>Reason for critique</strong></td>
<td>Direct action</td>
<td>Social connectedness</td>
</tr>
<tr>
<td><strong>Sphere influenced</strong></td>
<td>Local/narrow</td>
<td>Global/broad</td>
</tr>
</tbody>
</table>
6.2.4 How do moral considerations influence stakeholders with regards to MM Mining’s legitimacy?

For Scherer and Palazzo (2011), there is a need to situate broadened scope of corporate responsibility within the context of deliberation and new modes of legitimacy. The authors explain that the harms occurring in global supply chains call for changes to processes and institutions that must be embedded in deliberative democratic action. This model would impose not only a new mode of legitimacy on corporations but also enforces their status as political actors. To understand this process in the context of the case study results, the PCSR features of legitimacy and deliberation must be considered.

In Chapter 5, findings indicated that the question of legitimacy further complicated stakeholder relations, producing deeply conflicting perspectives. MM Mining focused their efforts on countering community concerns, arguing that there was a gap between community perceptions or expectations and reality. For the government stakeholders, ethics and morals were outside of the scope of their remit, however some interviewees conceded that community may find some of the corporate actions immoral. This was validated by community members who reported that MM Mining could not be trusted to enact their CSR promises, and that overwhelmingly the company was seen as either overtly or covertly disrespectful of the Forestville community.

According to Scherer and Palazzo (2011), legitimacy under PCSR refers to a shift in expectation toward a moral imperative. Suchman (1995) defines legitimacy in three main spheres: cognitive, pragmatic and moral. To briefly recapitulate, cognitive legitimacy refers to the acceptance of a business’s presence that is deemed inevitable or aligned to societal norms. Pragmatic legitimacy refers to the intellectual judgement that a business operation is likely to benefit the individual (or group). Moral legitimacy requires a process of moral sense-making, and often argumentation, to determine what is deemed socially acceptable. Moral legitimacy is a result of a communicative process between political actors which finally rests on the ‘forceless force of the better argument’ (Habermas 1990, p. 185) that is put forward and not so much on the power of the actors taking part in this process. This suggests a focus on argumentation rather than on rhetoric.
For MM Mining in the mine extension case study, there is an obvious bid to pragmatic legitimacy, focusing on the economic benefits derived from their mine extension. The implementation of a communicative process in order to achieve a shared approach to moral sense-making is rather disputable. This was reflected in the theme corporate interview findings. The conflicting perspectives theme demonstrated a one-directional consultation approach where corporate perspectives were relayed to community without opportunity for engagement. Further, MM Mining worked to counter community perspectives by bringing their credibility into question, undermining them as emotional issues or not based in reality.

The current case indicated that MM Mining relied heavily on pragmatic legitimacy for their extension plan. This was evidenced by MM Mining’s emphasis on the business case (economic benefit to state and employees) of their proposed extension. Concerns from the community or public were countered with repeated bids to pragmatic considerations of economic growth, emphasising a focus on pragmatic legitimacy rather than moral concerns. MM’s senior leaders were quoted in media interviews stating that they took an “unashamed hard-nosed and cold-blooded business approach to the way we do this [CSR] but we are not oblivious to moral concerns” (citation withheld). The pragmatic approach to legitimacy is often problematic for corporations, as described by Scherer and Palazzo who state that “some corporations react by attempting to influence public opinion in general and the perception of their key stakeholders in particular by counter-communication. This strategy of pragmatic legitimacy increasingly fails” (2011, p. 915). As described in the case context, MM Mining’s attempts at pragmatic legitimacy were brought directly into question by the community during the Land and Environment court hearing. This hearing found that the MM Mining economic analysis and Social Impact Assessment were not properly evidenced. Ultimately, the Land and Environment court ruled that MM’s proposed economic benefit had been overstated.

According to Scherer and Palazzo’s (2011) theory, moral legitimacy would rest on the ‘better argument’ (in Habermasian terms). If bids to moral legitimacy were evident in this case study, we would have expected to see that the better argument had been achieved in the Land and Environment Court ruling. If the better argument was applied in this case, the mine extension plan would be abandoned at the ruling stage.
However, this was not the case, as MM Mining pushed ahead with an appeal in the Supreme Court as well as lobbying for legislation change in their favour.

The attempt to leverage pragmatic legitimacy for MM Mining was also apparent in the final PAC hearing. As outlined in the case context, CSR rhetoric was employed by MM Mining and their supporters in support of the mine extension. This appeared to be a strategy to bolster the perception of MM Mining as legitimate. While strong community resistance was noted in the hearing, the fact that MM Mining had a history of CSR relations with the community was used to offset community opposition. For Forestville community members, the emphasis MM placed on their CSR efforts only further eroded their perception of MM’s legitimacy. For many community interviewees the gap between MM Mining’s CSR rhetoric and the way they were treated in practice, undermined any possibility of moral legitimacy for the company.

Despite the community concern, MM’s CSR funds may have contributed to the final mine extension approval. The final extension approval was subject to MM’s voluntary community contribution of $11 million as described in Chapter 2. This outcome indicates that MM Mining’s use of PCSR activities contributed to the company’s sense of legitimacy with government stakeholders. These outcomes are summarised in Table 19, below.

**Table 19: Key gaps between PCSR legitimacy framework and case study findings**

<table>
<thead>
<tr>
<th>Legitimacy</th>
<th>Scherer &amp; Palazzo (2011) framework</th>
<th>Case study outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Instrumental CSR</td>
<td>Political CSR</td>
</tr>
<tr>
<td>Pragmatic</td>
<td>High (legitimacy of contributions)</td>
<td>Medium-low (market and state failure)</td>
</tr>
<tr>
<td>Cognitive</td>
<td>High (coherent set of morals)</td>
<td>Medium-low (individualism, pluralism, morals)</td>
</tr>
<tr>
<td>Moral</td>
<td>Low</td>
<td>High-low dependent on discursive engagement</td>
</tr>
<tr>
<td>Mode of corporate engagement</td>
<td>Reactive (pressure response)</td>
<td>Proactive engagement in democratic politics</td>
</tr>
</tbody>
</table>
6.2.5 How are stakeholder power relations reshaped under deliberative PCSR?

In Chapter 5, findings demonstrated that under PCSR, governmental power was strained. For government stakeholders this included the strain of competing priorities between community groups and industry, as well as a growing sense of distrust from community. For the corporate stakeholders, there was a contradictory approach in terms of claiming to engage in deliberation whilst outlining communication approaches that appeared rather subversive of the community’s perspectives. For community members, community engagement activities of MM Mining were in fact a Trojan Horse setup designed to undermine the community.

Scherer and Palazzo (2011) rely on the notion of deliberation in PCSR. Accordingly, there is a shift in the entire conception of democratic society, away from liberal democracy and toward deliberative democracy. This shift marks a major transition in the conceptualisation of the role of the firm in society. Deliberative democracy suggests various ways stakeholders can deliberate for decision-making. For instance, NGO pressure or consumer activism may influence government or business response by way of multi-stakeholder initiative, open stakeholder dialogues and other collaborative problem-solving approaches can occur (Rotter et al. 2013).

In the current case study, evidence shows corporate actions that undermined democratic principles and contradicted the nature of deliberation. While MM Mining endeavour to emphasise their interest in deliberation through concepts such as ‘co-ownership’ and ‘shared decision-making’, this stands in contrast with the theme of consultation, wherein community members were ‘managed’ rather than engaged. While MM management emphasised their strong commitment to shared decision-making with communities at the discursive level, in the current case study there is evidence that community members were not only poorly managed, but actively undermined by the company. This was evidenced by members of Forestville who described how MM Mining community engagement officers had sought to create an opposing community group to weaken the extension opposition. Furthermore, Forestville community members reported that their numerous requests for meeting MM Mining management were ignored, and that their direct questions about possible negotiations or shared solutions were dismissed. In effect, MM Mining’s ‘discursive
engagement’ reflected a stakeholder engagement process designed to serve corporate interest and bolster the corporations sense of legitimacy.

Important, MM Mining’s activities under the remit of deliberation appeared to have a subversive impact on the government and community stakeholders involved. That is, government stakeholders were increasingly pressured by both lobbying in corporate interests and their own reliance on CSR, for community this meant a loss of trust in their government representatives as well as feeling undermined by CSR. The possibility of subversion of community stakeholders in this case study may contradict the principles of deliberation set out by Habermas (1996) and taken up by Scherer and Palazzo (2011).

To briefly recapitulate, Habermasian deliberative democracy emphasises that stakeholders must have equal opportunity to participate in dialogue within a power-neutral civil sphere (Habermas 1996). Chapter 3 reviewed the distinctions between legitimate and illegitimate forms of power amongst stakeholders according to Habermas. Within his theory, illegitimate power occurs where coercion or subversion may have been present. On the contrary, legitimate power occurs where rational consensus is achieved through unsubverted deliberation. Habermas (1996) also delineates three subtypes of power, social power, communicative power and administrative power. Social power refers to the strength of a particular interest group to assert their will. Communicative power arises where “citizens engage in political discourse… the force of the shared beliefs and normative reasons generated by an agreement generates communicative power” (Flynn 2004, p. 445). Administrative power is the authority to implement law, which holds legitimacy when tied to the communicative power generated through deliberation.

In the current case study, the question of power raises a number of issues. As the key themes indicate, the case was subject to increased corporate power and fractured governmental power. This is not to understate the capacity or utility of government agency in this case. Whilst MM Mining played a significant role in seeking to re-shape policy toward instrumental outcomes, it was clear that the government too, was actively involved in these efforts, rather than a passive recipient. The government actors were active in pursuing various legislative changes, negotiating revenue gain, as well as CSR funding. The government actors therefore had the potential to change the ways in which PCSR efforts would have become meaningfully deliberative in this
Community stakeholders widely perceived MM Mining’s CSR efforts as a deceptive ‘Trojan Horse’, or strategy to undermine community objections and community coherence. This is indicative of the instrumental CSR activities of MM, but also of the increased social power of MM Mining, which impinged upon the power of community and government stakeholders. Further, the state-market alliance formed by MM Mining and the government demonstrated how instances of heterarchical deliberation can significantly disadvantage the community.

This case raises the question of whether there may be an incompatibility between PCSR in action and the assumptions of Habermasian deliberation. While Habermas (1996) emphasises the resolution of power differences in order to achieve a rational deliberative consensus, the context of PCSR in this case has exacerbated power inequality between stakeholders, rendering deliberation inequitable. In this case, MM Mining appeared to make efforts to exacerbate power difference in the deliberation arena in several ways as depicted in Figure 4, below. First, MM Mining made attempts to divide and fund supportive community groups, hence impinging on the social power of the civil sphere. Second, MM Mining was involved in lobbying state government and offering significant CSR funding on the basis of the extension approval, impressing upon the social power of the public sphere. Further, MM Mining was seen to circumvent the deliberation arena entirely and impact upon the administrative power of the state by working toward legislation change in their favour ‘behind the scenes’ of deliberation.

![Figure 4: Stakeholder power relations within PCSR based on Habermas (1996)](image)

While the various public meetings and hearings for the MM mine extension may have served as a forum for deliberation, the context of unequal power relations meant
that the conditions required for Habermasian deliberation were violated. This was an issue raised by Banerjee (2012), who argues that deliberative processes are exclusionary and can be hijacked in attempts to mobilise state power for private interest. Banerjee’s proposal is a useful backdrop within which the dynamics of this case study can be understood, in effect, government stakeholders became a conduit for corporate actors to suppress the demands of community stakeholders. While Scherer and Palazzo (2011) argue that deliberation can form the basis for democratic control of corporate actors, this case example indicates that democratic control was undermined by the corporation. These outcomes are summarised in Table 16, below. The implications of these findings for Scherer and Palazzo’s (2011) framework will be further unpacked in the section below.

Table 20: Key gaps between PCSR deliberation framework and case study findings

<table>
<thead>
<tr>
<th>Deliberative Democracy</th>
<th>Scherer &amp; Palazzo (2011) framework</th>
<th>Case study outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Instrumental CSR</td>
<td>Political CSR</td>
</tr>
<tr>
<td>Model</td>
<td>Liberal democracy</td>
<td>Deliberative democracy</td>
</tr>
<tr>
<td>Concept of politics</td>
<td>Power politics</td>
<td>Discursive politics</td>
</tr>
<tr>
<td>Democratic control</td>
<td>Derived from political system</td>
<td>Corporate activities under democratic control</td>
</tr>
<tr>
<td>Mode of corporate governance</td>
<td>Shareholder</td>
<td>Democratic corporate governance</td>
</tr>
</tbody>
</table>

6.2.6 How can the PCSR framework better account for stakeholder relations?

This section examines the theoretical gaps in the PCSR framework of Scherer and Palazzo (2011). In doing so, this section elucidates the suggested extensions to the framework. In order to achieve this, the coming section will review the major gaps between the case study outcomes and the PCSR framework of Scherer and Palazzo.
Four main gaps are addressed: firstly, the effectiveness of soft law and democratic control as theorised by Scherer and Palazzo (2011) was not evidenced in this case study, in fact, the presence of soft law did not appear to place any observable limits on corporate activity. Secondly, the concepts associated with socially connected responsibility, such as recognition of background conditions, were not articulated within the Scherer and Palazzo framework. Thirdly, the role of power was unaccounted for in the PCSR framework, which left significant gaps in elucidating the impacts of PCSR in this case study. Lastly, Scherer and Palazzo (2011) rely on the Habermasian notion of deliberation as a form of consensus seeking, comparatively, this case study has highlighted the possibility of deliberation to be used as a form of advantage seeking by the corporation.

In order to develop an extended PCSR framework, this section undertakes three key processes. First, it clarifies the key gaps in explanatory power of the existing PCSR framework based on the case study findings. Second, it considers these gaps in light of additional theory and literature pertinent to each element of the PCSR framework. Third, it seeks to apply additional relevant theories to bolster the existing PCSR framework with added explanatory power. This section will now set out the development of various extensions to the existing PCSR framework that can account for the four key gaps as identified above.

6.2.6.1 Ineffective soft law

Scherer and Palazzo (2011) theorise that “corporations engage in a political deliberation process that aims at setting and resetting the standards of global business behaviour … to respond to environmental and social challenges” (2011, p. 910). However, this case study found that the corporate engaged in a political process that aimed to undermine legislative integrity and nullify civil resistance. Furthermore, the mode of governance as theorised by Scherer and Palazzo is a heterarchy that shows “stronger connections of the corporation with those ongoing public discourses on cosmopolitan interests” (2011, p. 911). This case study found that community interests were disregarded or undermined where they didn’t align to instrumental outcomes. This study illustrated a situation where soft laws under PCSR did not fill a governance or regulatory vacuum, but instead aided in expanding regulatory voids to serve corporate interests.
This finding is foreshadowed by the work of Young (2003) as well as Banerjee (2014) who both argue that PCSR can play a role in silencing dissent and omitting the needs of vulnerable stakeholder groups due to the constraints of the deliberation arena. A truly representative governance model requires mechanisms that effectively include marginalised communities (Banerjee & Sabadoz 2014). From a similar perspective, Whelan (2012) also makes a strong case for a more expansive conception of a political model of corporate governance. He argues that the PCSR literature often suggests a multi-stakeholder approach to corporate governance and thus could benefit from theorising more formal structures such as civil society voting rights on private governance issues. In this case study, results indicated that the firm engaged in the process of self-regulation in order to more effectively circumvent state regulations. This indicates that the PCSR soft law model widened regulatory gaps rather than filling them.

The framework of Scherer and Palazzo (2011) did not account for the current case study finding of soft law having a counterproductive impact on social outcomes. Indeed, the focus on win-win situations has prevailed in much CSR research and the PCSR framework is no exception (Banerjee 2017). This study finds that the soft law framework of Scherer and Palazzo (2011) could be strengthened by drawing on the work of Kobrin (2009). Kobrin argues that self-regulatory mechanisms can be effective when deployed via an institution with the resources and authority to assess, judge and enforce sanctions for non-compliance. This study suggests that Kobrin’s proposal is applied to develop an extension to the soft law framework. Specifically, that a multi-stakeholder initiative includes the development of an enforcement institution for soft law. This includes the power of the enforcement institution to apply sanctions where non-compliance occurs. Furthermore, it is critical that the assessments made by the enforcement institution are tied to local managerial KPIs. In doing so, the mode of regulation under PCSR shifts from purely self-regulation (as defined by Scherer and Palazzo) toward a co-regulatory model. These outcomes are outlined below and compared to the original soft law feature of Scherer and Palazzo (2011).
### Table 21: Suggested extension to soft law framework for PCSR

<table>
<thead>
<tr>
<th>Role of law</th>
<th>Scherer &amp; Palazzo (2011) framework</th>
<th>Suggested extension</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mode of regulation</strong></td>
<td>Self-regulation</td>
<td>Co-regulatory model with enforcement institution</td>
</tr>
<tr>
<td><strong>Dominant rules</strong></td>
<td>Informal rules ‘soft law’</td>
<td>Both hard and soft laws enforced</td>
</tr>
<tr>
<td><strong>Level of obligation</strong></td>
<td>Low/voluntary</td>
<td>High</td>
</tr>
<tr>
<td><strong>Precision of rules</strong></td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td><strong>Delegation to third party</strong></td>
<td>Often</td>
<td>Often</td>
</tr>
<tr>
<td><strong>Enforcement mechanism</strong></td>
<td>Not part of the extant PCSR five feature framework</td>
<td>Developed as part of multi stakeholder initiative, power to enforce sanctions, linked to performance indicators for local management</td>
</tr>
</tbody>
</table>

#### 6.2.6.2 Socially connected model of responsibility

As this case study demonstrates, the politicised role of MM Mining has bolstered the corporation’s capacity to influence government stakeholders. This shift meant more effective lobbying efforts that ultimately aided the reform of legislation in MM’s favour. The heterarchical mode of political relations observed in the mining extension controversy led to an alliance between corporate, government and industry that supported the MM Mining extension. This heterarchical alliance significantly disadvantaged the Forestville community stakeholders, an outcome that is not captured within the PCSR framework of Scherer and Palazzo (2011).

For instance, in defining the role of broadened responsibility, Scherer and Palazzo’s framework (2011) refers in broad terms to three aspects of the PCSR responsibility model. These three elements are: direction (prospective), reason for critique (social connectivity) and sphere of influence (global). While Scherer and Palazzo theorise the role of responsibility in some depth, their macro level framework does not account for the more specific roles political actors play, the aims and motives of the political actors and the outcomes achieved through their engagement in social responsibility initiatives. In some respects, the possibility of broadened responsibility having detrimental flow on effects was rendered invisible by this macro level conception of responsibility within PCSR. This case study analysed data at the local
level and as such it requires a framework which examines social responsibility in greater depth.

Moreover, while the Scherer and Palazzo (2011) framework references the socially connectedness model of Young (2006) it does not explicitly take up the dimensions articulated in the work of Young. As a result, this study suggests that the shortcomings of the existing PCSR framework for responsibility, may be strengthened by more explicitly integrating aspects of Young’s social connectedness model. As Young (2006) pointed out, retrospective or backward-looking responsibility may serve a forward-looking purpose in preventing future reoccurrence of harm. As such, this study suggests the responsibility framework consider both prospective and retrospective perspectives of responsibility.

Further, several aspects of Young’s (2006) model of responsibility must be integrated to achieve a more contextualised and comprehensive framework. This study suggests an extension that draws upon two aspects of Young’s model. First, an examination of background conditions, that is, examining for weak points in institutional systems that encourage or allow social irresponsibility to occur. In the case of MM Mining, this would mean examining the both the existing mine planning system for its weaknesses, as well as considering the corporate-government alliance that occurred. In particular, that the mine planning legislation favoured economic outcomes above social or environmental outcomes is a background condition that encourages social irresponsibility.

Lastly, it is recommended that Young’s (2006) notion of shared responsibility is applied to an extended model, this requires collective actions or practices that lead to social irresponsibility to be more closely examined. In this case study, the corporate-government alliance is key. While the application of Scherer and Palazzo’s (2011) framework initially indicated that the case study results were aligned to PCSR in terms of responsibility, the addition of Young’s (2006) dimensions of socially connected responsibility bring to light additional insights that reverse the initial finding. Far from MM Mining acting with an expanded scope of responsibility, they had acted with contracted responsibility, colluding with government actors to reinforce pre-existing institutional disadvantages toward community.
6.2.6.3 Role of power

Scherer and Palazzo (2011) argue that under PCSR, legitimacy is derived from the communicative process and the force of the better argument “and not so much on the power of the actors taking part in this process” (2011, p. 916). However, the findings of this case study indicate that stakeholder power relations played a significant role. Analysis in Chapter 5 evidenced how MM Mining’s engagement in various PCSR activities such as community enhancement funding programs were instrumental in bolstering a sense of legitimacy for government stakeholders. Yet, for community stakeholders their perspectives were undermined by this process.

The findings of this research depart significantly from Scherer and Palazzo’s (2011) suggestion that the three stakeholder groups were engaged in a shared learning process to solve problems via power-free cooperation. This case study demonstrates that the corporate was actively engaged with government stakeholders and drew on supportive segments of the community (such as their own workforce) to manufacture an advantageous outcome. Rather than engaging in multi-stakeholder deliberation to learn to solve problems, the corporate sought to form an alliance with government stakeholders in order to overpower community stakeholder’s demands.

Scherer and Palazzo suggest that the power struggles inherent to multi-stakeholder deliberation can be neutralized by better design of the deliberation arena.

Table 22: Suggested extension to responsibility framework for PCSR

<table>
<thead>
<tr>
<th>Responsibility</th>
<th>Scherer and Palazzo (2011) framework</th>
<th>Suggested extension</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direction</strong></td>
<td>Prospective</td>
<td>Prospective</td>
</tr>
<tr>
<td><strong>Reason for critique</strong></td>
<td>Social connectedness</td>
<td>Social connectedness</td>
</tr>
<tr>
<td><strong>Sphere influenced</strong></td>
<td>Global/broad</td>
<td>Global/broad</td>
</tr>
<tr>
<td><strong>Background conditions (adapted from Young 2006)</strong></td>
<td>Not part of the extant PCSR five feature framework</td>
<td>Identification of weak points in an institutional system that allows or encourages social irresponsibility, e.g. mine planning system favours economic outcomes</td>
</tr>
<tr>
<td><strong>Shared responsibility (adapted from Young 2006)</strong></td>
<td>Not part of the extant PCSR five feature framework</td>
<td>Examines collective actions or practices that culminate in social irresponsibility, e.g. corporate-government alliance</td>
</tr>
</tbody>
</table>
Yet, as described in Section 6.2.5, better design of the deliberation arena was impossible in the context of PCSR, as power difference was a foundational aspect of the multi-stakeholder relationship. The deliberation arena of PCSR in this case was thus undemocratic by design, leading to ‘undemocratic deliberation’ (Banerjee 2017).

Subversive power impacts under PCSR, such as growing governmental reliance on CSR, had an impact on perceptions of legitimacy as “deliberative CSR may very well confer moral legitimacy on firms, but this moral legitimacy can serve as a smokescreen that allows corporations to pursue their interests while undermining local community interests” (Banerjee 2017, p.16). While Scherer and Palazzo acknowledge that “ideal conditions of a power-free discourse are rather taken as a normative yardstick for the democratic quality of existing regulatory activities of private actors” (2011, p. 916), this study found that the framework requires an extension to recognise the legitimacy, or illegitimacy, of power relations occurring under PCSR. Habermas (1996) provides a useful conception of power and the legitimacy of power as outlined in Section 6.2.5. Habermasian notions of power (such as social, administrative and communicative power), have not yet been integrated into the PCSR framework.

To briefly recapitulate, Habermas argues that illegitimate power occurs where coercion or subversion may have been present. On the contrary, legitimate power occurs where rational consensus is achieved through unsubverted deliberation (Habermas 1996). Social power refers to the strength of a group to assert their will. Communicative power arises where the political reasoning process generates the force of shared beliefs. Administrative power is the authority to implement law, which holds legitimacy only when tied to the communicative power generated through deliberation.

As discussed in Section 6.2.5 there is evidence in this case study that PCSR contributes to the subversion of the civil sphere in order to achieve instrumental aims. The case study outcome stands in contrast to the key normative assertion of Scherer and Palazzo (2011) about the role of PCSR in democracy, namely that corporations “help to solve political problems in cooperation with state actors and civil society actors” (p. 918). Far from shared problem-solving, the corporate actors were able to leverage PCSR to compel the government and subvert civil society actors.

To account for unequal power dynamics between political actors, the extended PCSR framework must examine the power roles of actors under PCSR. Therefore, the
extended framework includes the factor of power within deliberation. This extension
draws on Habermas (1996) to define subtypes of communicative power and social
power, as well as the legitimacy of power. In this sense, communicative power is
formed via non-coercive communication within an undistorted civil sphere. Social
power refers to the role of the firm in ensuring their social power does not restrict the
autonomy of other political actors. Lastly, the legitimacy of power refers to the
requirement of neutralisation of power by better design of the deliberation arena. A
summary of this extension is presented in Table 19, below.

Table 23: Suggested framework to account for power relations under
deliberation

<table>
<thead>
<tr>
<th>Deliberative Democracy</th>
<th>Political CSR</th>
<th>Suggested extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>Deliberative democracy</td>
<td>Deliberative democracy where pre-conditions are met</td>
</tr>
<tr>
<td>Concept politics</td>
<td>Discursive politics</td>
<td>Discursive politics</td>
</tr>
<tr>
<td>Democratic control</td>
<td>Corporate activities under democratic control</td>
<td>Corporate activities under democratic control – enforcement mechanisms in place</td>
</tr>
<tr>
<td>Mode of corporate governance</td>
<td>Democratic corporate governance</td>
<td>Democratic corporate governance</td>
</tr>
<tr>
<td>Communicative power (adapted from Habermas 1996)</td>
<td>Not part of the extant PCSR five feature framework</td>
<td>Formed in non-coercive communication in an undistorted civil sphere</td>
</tr>
<tr>
<td>Social power (adapted from Habermas 1996)</td>
<td>Not part of the extant PCSR five feature framework</td>
<td>Social power of firm does not restrict or subvert the autonomy of state or civil actors</td>
</tr>
<tr>
<td>Legitimacy of power (adapted from Habermas 1996)</td>
<td>Not part of the extant PCSR five feature framework</td>
<td>Attempts to neutralise power by continuous improvement of deliberation arena</td>
</tr>
</tbody>
</table>

6.2.6.4 Consensus seeking

The reliance on Habermasian terms of deliberative democracy cause a particular
tension in this model of PCSR, whereby a focus on shared solutions is emphasised at
the expense of acknowledging win-lose or lose-lose scenarios (Blowfield & Frynas
2005). This tension is considered in the work of Mouffe (2000) who argues that
deliberative democratic theory has failed to fully recognise the necessity of agonism
to the democratic project and thus the impossibility of achieving a rational consensus. This focus on consensus can obscure the inequalities present (Banerjee 2017). This case study provides an empirical example where PCSR both obscured and exacerbated the power role of actors, making power-neutral deliberation for rational consensus impossible.

The case study shows that the Habermasian conception of power-neutral stakeholder relations for consensus building may contradict the power-laden impacts of PCSR in this instance. That is, the assumption that deliberative PCSR seeks to achieve consensus was not met, but rather was employed to seek advantage. This points to a more ontological tension in the PCSR framework, potentially requiring a more radical revision of the conception of deliberation PCSR toward a more pluralistic model. Such a revision of the PCSR framework may benefit from conceptions that foreground disagreement and the uneven terrain of political deliberations such as Rancière (1999), or agonistic pluralism (Mouffe 2000). While an ontological revision of the PCSR framework is beyond the scope of this study, it nonetheless offers exciting opportunities for future research.

6.3 Summary

This chapter has provided an in-depth discussion of the outcomes of the case study results presented in Chapter 5. In particular, this chapter answered the key research questions: How has the role of MM Mining been reshaped by global governance initiatives? How does soft law influence MM Mining and its relationships with stakeholders? In what ways does MM Mining engage in a broadened scope of social responsibility? How do moral considerations influence stakeholders with regards to MM Mining’s legitimacy? How are stakeholder relations reshaped under deliberative PCSR? Each of these research questions were addressed with a comprehensive examination of the case study results in light of the theory of PCSR presented by Scherer and Palazzo (2011). The outcomes of this analysis suggest an extended framework for understanding PCSR, that builds upon Scherer and Palazzo’s (2011) work.

Four main gaps were identified in the application of Scherer and Palazzo’s framework to the case study results. Namely, the ineffectiveness of soft law; the concept of socially connected responsibility; the role of power and lastly, consensus
seeking. In order to address these four gaps, a number of extensions were suggested for the PCSR framework. These include: firstly, integrating Kobrin’s (2009) suggestion for enforcement mechanisms of soft law, secondly, incorporating Young’s (2006) concepts for socially connected responsibility, and thirdly, more rigorously addressing Habermasian (1996) notions of power. A summary of the suggested extensions is presented in Table 20, below.
Table 24: Suggested extended framework for PCSR (adapted from Kobrin 2009; Habermas 1996; Scherer & Palazzo 2011; Young 2006)

<table>
<thead>
<tr>
<th>Responsibility</th>
<th>Scherer and Palazzo (2011)</th>
<th>Suggested extension</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direction</strong></td>
<td>Prospective</td>
<td>Prospective and retrospective</td>
</tr>
<tr>
<td><strong>Reason for critique</strong></td>
<td>Social connectedness</td>
<td>Social connectedness</td>
</tr>
<tr>
<td><strong>Sphere influenced</strong></td>
<td>Global/broad</td>
<td>Global/broad</td>
</tr>
<tr>
<td><strong>Background conditions</strong></td>
<td>Not part of the extant PCSR five feature framework</td>
<td>Identification of weak points in an institutional system that allows social irresponsibility, e.g. mine planning system favours economic outcomes</td>
</tr>
<tr>
<td><strong>Shared responsibility</strong></td>
<td>Not part of the extant PCSR five feature framework</td>
<td>Examines collective actions or practices that culminate in social irresponsibility, e.g. corporate-government alliance</td>
</tr>
</tbody>
</table>

**Role of law**

<table>
<thead>
<tr>
<th>Mode of regulation</th>
<th>Self-regulation</th>
<th>Co-regulatory model with enforcement institution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dominant rules</strong></td>
<td>Informal rules ‘soft law’</td>
<td>Both hard and soft laws enforced</td>
</tr>
<tr>
<td><strong>Level of obligation</strong></td>
<td>Low/voluntary</td>
<td>High</td>
</tr>
<tr>
<td><strong>Precision of rules</strong></td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td><strong>Delegation to third party</strong></td>
<td>Often</td>
<td>Often</td>
</tr>
<tr>
<td><strong>Enforcement mechanism</strong></td>
<td>None</td>
<td>Developed under multi stakeholder initiative, power to enforce sanctions, linked to KPIs</td>
</tr>
</tbody>
</table>

**Deliberative Democracy**

<table>
<thead>
<tr>
<th>Model</th>
<th>Deliberative democracy</th>
<th>Deliberative democracy where pre-conditions are met</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Concept politics</strong></td>
<td>Discursive politics</td>
<td>Discursive politics</td>
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<td><strong>Democratic control</strong></td>
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</tr>
<tr>
<td><strong>Communicative power</strong></td>
<td>Not part of the extant PCSR five feature framework</td>
<td>Formed in non-coercive communication in an undistorted civil sphere</td>
</tr>
<tr>
<td><strong>Social power</strong></td>
<td>Not part of the extant PCSR five feature framework</td>
<td>Social power of firm does not restrict or subvert the autonomy of state or civil actors</td>
</tr>
<tr>
<td><strong>Legitimacy of power</strong></td>
<td>Not part of the extant PCSR five feature framework</td>
<td>Attempts to neutralise power by continuous improvement of deliberation arena</td>
</tr>
</tbody>
</table>
Chapter 7 - Conclusion

7.1 Introduction

This study came about at a time when the nexus of politics and mining in Australia were a hotbed of research gold. Between collusion, corruption and growing community backlash, the mining sector in Australia was a highly politicised area ripe for the study of PCSR. This study brings to life the undertaking of examining the complicated interconnection between economic, political and social actors in Australian mining. By applying the PCSR framework of Scherer and Palazzo (2011) this study aimed to capture the complexity of stakeholder perspectives and relationships that occurred within a highly contested mining extension plan. This project required not only the compliance of corporate and government stakeholders but extensive community support, including from individuals who were distressed and even helpless at the changes occurring within their community. With the support of all stakeholders involved, this thesis has shed light upon some of the most critically understudied aspects of PCSR, including community perspectives, power relationships and the dynamics of deliberation.

This thesis aimed to critique and build upon Scherer and Palazzo’s (2011) framework of PCSR. In particular, the study investigated how PCSR in action departed from the assumptions of Scherer and Palazzo’s theory. To do so, the study developed an in-depth account of multiple stakeholder’s perspectives in an Australian mining case study. To briefly summarise the thesis, Chapter 2 provided a contextual overview of the case study company, MM Mining. Chapter 3 reviewed the extant literature on CSR and PCSR, consequently, key research questions were identified for the study. Chapter 4 outlined the chosen research design to investigate PCSR, namely using a single exploratory case study design for the MM Mining extension controversy. In Chapter 5 the findings from the case study were presented using key themes associated with the five features of the PCSR framework. Lastly, Chapter 6 presented an analysis of these findings in the context of Scherer and Palazzo’s PCSR framework and the related research questions. This resulted in the presentation of an extension to the PCSR framework.

This chapter presents conclusions to the aims identified at the start of the study. These included: firstly, to reduce the research gap by empirically examining PCSR in
a developed economy. Secondly, to develop an extended theoretical framework to better account for civil society perspectives. Thirdly, to conceptualise stakeholder power relations under PCSR. This chapter begins by reviewing the key findings that emerged throughout Chapter 6, as well as summarizing the answers to the research questions and research aims of this thesis. Later, this chapter will review the implications of these outcomes for corporations, policy makers and researchers. The chapter concludes by outlining the limitations of this study and the opportunities for further research.

7.2 Key findings

7.2.1 Ineffectiveness of soft law

A key finding that emerged from this study was that soft law had a potentially counterproductive impact on community and civil society more broadly. Findings indicated that the soft law approach under PCSR could operate as a kind of smokescreen. This smokescreen of ‘self-regulation’ emboldens a sense of legitimacy for the company, without altering their behaviour. As described by Scherer and Palazzo (2006) this can be seen as the strategic manufacturing of legitimacy.

As a result, the study recommended that Kobrin’s (2009) conception of soft law enforcement was applied to the PCSR framework. Specifically, an additional factor was added to the soft law feature to explicate the need for an enforcement institution for soft law. The role of the enforcement institution includes the power to apply sanctions in situations of non-compliance. Furthermore, the study recommended that the judgements passed by the enforcement institution are tied to local managerial KPIs. As such, the mode of regulation under PCSR would constitute a co-regulatory model.

7.2.2 Socially connected responsibility

The discussion presented in Chapter 6 described how the responsibility framework of Scherer and Palazzo (2011) was unable to account for the results of this case study. As a result, this study suggested that the framework for responsibility be strengthened by Young’s (2006) social connectedness model. Several aspects of Young’s (2006) model of responsibility were integrated. First, an examination of background conditions, that is, weak points in institutional systems that encourage or allow social irresponsibility to occur. In the case of MM Mining, this would mean
examining the mine planning system such as the legislation that favoured economic outcomes.

Further, Young’s (2006) notion of shared responsibility was also applied to the suggested extended model. The application of Young’s concept of shared responsibility required collective action or practices that led to social irresponsibility to be more closely examined. This addition to the framework highlighted that MM Mining had in fact acted with contracted responsibility, colluding with government actors to reinforce pre-existing institutional disadvantages toward community. This was a significantly more comprehensive interpretation than the framework of Scherer and Palazzo (2011) had offered to the case study data.

7.2.3 Assumptions of deliberation violated

Thirdly, this study found that some key assumptions of Habermasian deliberative democracy (1996) are unaccounted for in the PCSR framework of Scherer and Palazzo (2011). While Scherer and Palazzo draw upon Habermasian notions of deliberation, their theory does not deal with the issue of power in sufficient detail. This leaves the framework lacking explanatory power. For Habermas, the notion of power is central in to his theory of deliberation. As outlined in 5.2.3, Habermas delineates three forms of power, administrative, communicative and social power, along with assessing for the legitimacy of power. While Scherer and Palazzo have acknowledged that the role of power can impact on deliberation, this study has found that the theory and framework must be extended to integrate Habermasian conceptions of power.

An extended framework for deliberation was developed that integrated several new aspects as per Habermasian conceptions of power. The extension integrated the subtypes of communicative power and social power, as well as the legitimacy of power. This significantly changes the conception of deliberation under PCSR. For instance, the inclusion of communicative power in Habermasian terms requires that non-coercive communication within an undistorted civil sphere as a pre-condition to deliberation. Furthermore, the inclusion of social power also places a requirement that any actor does not restrict the autonomy of other political actors. Lastly, the extended framework ties power analysis to legitimacy. That is, legitimacy can only occur when actors work to neutralise power by better design of the deliberation arena.
7.2.4 Impossibility of consensus

Finally, the study highlighted the tension between Habermasian notions of consensus and the impossibility of consensus in this case. Habermas (1996) states his approach to achieving rational consensus requires deliberation to occur in an unsubverted civil sphere. However, this study found, that the presence of PCSR may create a kind of subversion of civil society. This outcome points to the potential for more radically revising the PCSR framework around pluralist political philosophies. This issue was best articulated by Mouffe (2000) who argued that deliberative democratic theory failed to fully recognise the impossibility of achieving a rational consensus, and the paradoxical nature of consensus seeking. Mouffe instead argues for the necessity of political agonism to be integrated into the democratic project.

7.3 Summary of answers to research questions

7.3.1 How has the role of MM Mining been reshaped by global governance initiatives?

This study found that the role of MM Mining as a political and economic actor was reshaped by the presence of a global governance context. This occurred in a number of ways. Firstly, MM Mining had engaged in efforts to integrate global governance initiatives (such as the MDGs) into the management of their operations. The company’s engagement with government stakeholders appeared to further advance the increasing political power of MM. In this case study, the corporate actor was able to leverage their alliance with government stakeholders, in order to contest the power of the community. This was evidenced in the theme of increased corporate power whereby the government was influenced by CSR contributions while the community felt undermined and silenced. In practice, this was demonstrated with MM Mining working toward legislative change that secured the extension of their mine site. As a result, their efforts to align with global governance initiatives played a part in undermining both public and civil actors.

7.3.2 How does soft law influence MM Mining and its relationships with stakeholders?

In this study, soft law did not appear to play a significant role in regulating activities of the mining company. While MM Mining may have appeared to be moving
towards a kind of self-regulatory and soft-law framework guided by both global multi-actor initiatives (e.g. UNGC) as well as localised self-regulatory policies (e.g. community standards), in this case study these mechanisms were limited to traditional hard law requirements. Ultimately, efforts to engage in soft law regulation were done for instrumental reasons, such as securing access to land (Whelan 2012). As a result, the soft-law framework of MM Mining could operate as a kind of smokescreen, one that emboldens a sense of legitimacy for the company, without altering their behaviour. In effect, it is an attempt to manufacture legitimacy through strategic activities (Palazzo & Scherer 2006).

7.3.3 In what ways does MM Mining engage in a broadened scope of social responsibility?

This case study indicated some efforts from MM Mining in broadening their scope of social responsibility. For example, MM was funding education initiatives and traineeships for local youth and Indigenous Australians. These efforts were well received by government stakeholders. However, these instances of increased social responsibility did not have any impact of the mine extension controversy. As a result, attempts at broadened social responsibility were perceived as a failed effort by many community members due to long standing community concerns about MM’s expansion efforts. In conclusion, MM Mining’s attempts at a more proactive responsibility approach may have in fact brought the legitimacy of their actions into further disrepute from the perspective of the Forestville community.

7.3.4 How do moral considerations influence stakeholders with regards to MM Mining’s legitimacy?

In this study, legitimacy was a strategic tool that MM Mining attempted to manipulate for instrumental gain. Throughout the extension controversy, MM Mining promoted their previous CSR efforts, in an apparent bid to offset community resistance. Despite the community backlash, MM’s CSR funding likely contributed to the final mine extension approval. The final extension approval was subject to MM’s voluntary community contribution of $11 million as described in Chapter 2. This outcome indicates that MM Mining’s use of PCSR activities contributed to the perception of legitimacy with government stakeholders. However, as described above,
the impact was disparate for community members who saw this approach to CSR as buying support, which reflected a lack of ethics or morals from the company.

7.3.5 How are stakeholder power relations reshaped under deliberative PCSR?

While the various public meetings and hearings for the MM mine extension may have served as a forum for deliberation, the context of unequal power relations meant that the conditions required for Habermasian deliberation were violated. This issue is not unique to this study, in 2012 Banerjee argued that deliberative processes may be misused to hijack state power in order to protect private interests. Banerjee’s argument elucidates the dynamic present in the current study, in effect, government stakeholders enabled corporate actors to pacify the demands of community stakeholders. While Scherer and Palazzo (2011) argue that deliberation can form the basis for democratic control of corporations, this case indicates that democratic control was undermined by the corporation. As demonstrated by the model proposed at Figure 4, stakeholder power relations are significantly influenced by the presence of deliberative PCSR.

7.3.6 How can a PCSR framework better account for stakeholder relations?

This section reflects on the theoretical gaps in the PCSR framework of Scherer and Palazzo (2011). There are four main gaps to address: first, Scherer and Palazzo’s (2011) framework considers a macro level analysis of PCSR, that cannot address local level nuances raised by this case study. Second, the operation of soft law and democratic control as theorised by Scherer and Palazzo (2011) was not evidenced in this case, in fact, the presence of PCSR in this case did not appear to place any observable limits on corporate activity with regards to the mine extension. Third, the role of power was unaccounted for in the PCSR framework, this left significant gaps in elucidating the operation of PCSR in this case study. Fourth, Scherer and Palazzo (2011) rely on the Habermasian notion of deliberation as a form of consensus seeking, comparatively, this case study has highlighted the possibility of deliberation to be used as a form of advantage seeking by the corporate. This section will elucidate various extensions to the existing framework that can account for the findings of this case study.
Four main gaps were identified in the application of Scherer and Palazzo’s framework to the case study results. Namely, the ineffectiveness of soft law; the concept of socially connected responsibility; the role of power and lastly, consensus seeking. In order to address these four gaps, a number of extensions were suggested for the PCSR framework. These include: firstly, integrating Kobrin’s (2009) suggestion for enforcement mechanisms of soft law, secondly, incorporating Young’s (2006) concepts for socially connected responsibility, and thirdly, more rigorously addressing Habermasian (1996) notions of power. Each of these theoretical additions were outlined in the suggested extensions to the PCSR framework in Table 20.

7.4 Summary of responses to research aims

In Chapter 1, the key gaps and resultant aims of the study were identified. The aims defined in Section 1.5 were as follows: firstly, the study aimed to reduce the research gap of empirical evidence on PCSR in a developed economy. Secondly, the study aimed to develop an extended theoretical framework to better account for civil society perspectives. Thirdly, the study sought to conceptualise stakeholder power relations under PCSR. This section will summarise the contributions this study has made in addressing these aims.

7.4.1 Empirical evidence of PCSR

To address the lack of empirical evidence that examines PCSR, this study presented an exploratory single case study of PCSR in an Australian mining company. This was significant in that the exploratory single case design allowed for an in-depth examination of PCSR at the ground level, capturing community member’s experiences and centring their voices in the presentation of findings. This study presented data gathered from across 22 interviews in the field. This included local government, local Corporate staff, and community members from both Forestville and Minetown. The insights gained from these interviews make a significant contribution toward better understanding the impact of PCSR at the local level.

7.4.2 Extended theoretical framework

To address the second aim, this study developed an extended theoretical model of PCSR that better accounted for community perspectives. This was achieved in a number of ways. Firstly, emphasis was placed upon collection of community
perspectives during fieldwork as much as possible. Secondly, the findings chapter stressed the aspects of PCSR that had the most significant impact on community. While a number of community relevant elements were already present within the PCSR theory of Scherer and Palazzo (2011), many were not accounted for in their framework. This study drew on the most relevant theoretical contributions to supplement the PCSR framework, ultimately with the aim to better account for community perspectives. This included the integration of Young’s (2006) conception of social connectedness and Habermas (1996) conception of power. This study has thus extended the PCSR framework with factors most pertinent to community impact.

7.4.3 Conceptualise stakeholder power relations

The third aim required the study to conceptualise stakeholder power relations under PCSR. In the current case study, the question of power raised a number of issues. As the key themes indicated, the case was subject to increased corporate power and diminished governmental power. Community stakeholders widely perceived MM Mining’s CSR efforts as a deceptive ‘Trojan Horse’, or strategy to undermine community objections and community coherence. This is indicative of the instrumental CSR activities of MM, but also of the increased social power of MM Mining, which impinged upon the power of community and government stakeholders. Further, the state-market alliance formed by MM Mining and the government demonstrated how instances of heterarchical deliberation can significantly disadvantage the community.

This study drew upon the work of Habermas (1996) to more comprehensively define and categorise power relations of stakeholders under PCSR. The study achieved this aim in two ways, firstly, Habermasian conceptions of power were developed into a model as they occurred in PCSR (Figure 4). Secondly, these conceptions of power were then integrated into the extended PCSR framework for deliberation.

7.5 Implications of study

This study has a number of implications for CSR practitioners, policy makers and researchers. Most significantly, this study makes clear the need for CSR practitioners (both CSR consultants and corporate leaders) to more fully account for community perspectives in their CSR initiatives. In this study, MM Mining undermined the community’s perspectives by questioning their credibility, seeking to
create division and refusing more comprehensive consultation. This study has brought to light the harms of this approach. In effect, the community perception of MM Mining’s legitimacy was significantly damaged by this. While this did not prevent the mine extension from being approved, it did have long lasting impacts for the reputation of the company as evidenced by the ongoing public protests and direct action against the mine site. MM Mining could have avoided damage to the perception of their company’s legitimacy by staying accountable to the soft law standards they had set for themselves, or, as this study recommends, by developing a multi stakeholder backed enforcement mechanism. MM Mining also refused to publicly report on their SIA. Had MM Mining engaged in self-regulation with their SIA, they may have had the opportunity to address some of the community issues and minimise damage to the perceptions of their legitimacy.

For policy makers, the outcomes of this study should raise some concerns. Accusations of corruption from members of the public cannot be overlooked, particularly when backed by evidenced media reports. That legislation change was rushed as a result of the extension controversy is indicative that the government must address the possibility of collusion. Closer working relationships between corporations and the public sector, must be managed closely to mitigate the possibility of corruption. The impact of PCSR in constraining government decision-making is also of particular concern for policy makers. While collusion and corruption issues might be addressed in anti-corruption measures, the issue of competing priorities for government remains. Policy makers may need to consider mechanisms for mandating aspects of CSR, in a bid to reduce the constraint placed upon local governments negotiating for CSR funding. As this study suggests, a co-regulatory approach is advisable, which includes enforcement mechanisms to uphold soft law standards.

### 7.6 Limitations of study

While the current study makes a significant contribution to the PCSR literature, limitations must also be acknowledged. There are three main limitations in the current study. First, being a single exploratory case study, the outcomes of this study are not widely generalisable to alternative contexts. It will be important that further case studies in a range of industries and jurisdictions occur, that can strengthen the existing results and improve generalisability. Secondly, the study had a small sample within
the corporate and government stakeholder groups. While data triangulation was used to mitigate the issue of small sample in these groups, having improved response rates from corporate and government interviewees would have improved the robustness of these data sets, particularly in the case of gaining sensitive or contentious interview data. Thirdly, this study is a cross-section and offers only a snapshot in time, where a longitudinal dataset over a period of five or more years could have offered a more detailed examination of the evolution of stakeholder relations under PCSR.

7.7 Opportunities for future research

There are a number of opportunities for future research related to this study. First, future research may address the limitations of the current study. Multiple case studies of PCSR could replace a single case study design. Although multiple case studies would offer less depth, they would allow for more expedited validation of the PCSR framework. Multiple case studies may also help to counteract the issue of low corporate and government participation rates by analysing stakeholder groups across cases. Lastly, longitudinal studies examining the long-term changes in stakeholder relations under PCSR would be helpful in unpacking the power dynamics as they evolve over time.

Further opportunities for future research relate to the key findings of this study. Future studies which more directly address the question of power relations under PCSR would be valuable. This could involve both theoretical and empirical examination of the power roles theorised by Habermas (1996) in the context of PCSR activity. More sophisticated theorising of the potentially paradoxical nature of consensus-seeking in an agonistic situation is advisable. In particular, research that comprehensively answers Habermasian assumptions of the unsubverted civil sphere in deliberation is required.
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## Appendix A – Sampling Strategies

Qualitative sampling strategies adapted from Patton (1990, p. 183)

<table>
<thead>
<tr>
<th>Sampling strategy</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extreme or deviant case</td>
<td>Learning from highly unusual manifestations of the phenomenon of interest, such as outstanding successes or notable failures</td>
</tr>
<tr>
<td>Intensity sampling</td>
<td>Information-rich cases that manifest the phenomenon intensely, but not extremely</td>
</tr>
<tr>
<td>Maximum variation sampling</td>
<td>Documents unique or diverse variations that have emerged in adapting to different conditions</td>
</tr>
<tr>
<td>Homogeneous sampling</td>
<td>Focuses, reduces variation, simplifies analysis,</td>
</tr>
<tr>
<td>Typical case sampling</td>
<td>Illustrates or highlights what is typical, normal, average</td>
</tr>
<tr>
<td>Stratified sampling</td>
<td>Illustrates characteristics of particular subgroups of interest</td>
</tr>
<tr>
<td>Critical case sampling</td>
<td>Permits logical generalization and maximum application of information to other cases because if it's true of this one case it's likely to be true of all other cases</td>
</tr>
<tr>
<td>Snowball sampling</td>
<td>Identifies cases of interest from people who know people who know people who know what cases are information rich</td>
</tr>
<tr>
<td>Criterion sampling</td>
<td>Picking all cases that meet some criterion, such as all children abused in a treatment facility</td>
</tr>
<tr>
<td>Theory-based sampling</td>
<td>Finding manifestations of a theoretical construct of interest so as to elaborate and examine the construct</td>
</tr>
<tr>
<td>Confirming and disconfirming cases</td>
<td>Elaborating and deepening initial analysis, seeking exceptions, testing variation</td>
</tr>
<tr>
<td>Opportunistic sampling</td>
<td>Following new leads during fieldwork, taking advantage of the unexpected, flexibility</td>
</tr>
<tr>
<td>Random purposeful sampling</td>
<td>Adds credibility to sample when potential purposeful sample is larger than one can handle</td>
</tr>
<tr>
<td>Sampling politically important cases</td>
<td>Attracts attention to the study (or avoids attracting undesired attention by purposefully eliminating from the sample politically sensitive cases)</td>
</tr>
<tr>
<td>Convenience sampling</td>
<td>Saves time, money, and effort. Poorest rationale; lowest credibility</td>
</tr>
<tr>
<td>Combination or mixed purposeful sampling</td>
<td>Triangulation, flexibility, meets multiple interests and needs</td>
</tr>
</tbody>
</table>
Appendix B - Interview Protocol

<table>
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<tr>
<th>Stakeholder group 1: Community Members</th>
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</table>

**CSR strategies**

1. How would you define ‘socially responsible’ business?
2. What do you know about CSR activities of MM Mining?
3. Where did you get your information about these?
4. What do you see as the outcomes of the CSR activities?
5. Do you perceive MM Mining to be socially responsible?
6. To what extent does MM’s extension align to social responsibility?
7. Do you see any benefits to the mine extension? If so, what?
8. Do you see any negatives associated with the mine extension? If so, what?

**Deliberation**

9. To what extent is there open communication from MM Mining with the community?
10. Has the community engaged with the company regarding the MM extension plan? How?
11. Do you think the company made a genuine effort to hear your concerns?
12. Was the company open to various community perspectives?
13. How did MM Mining respond to the community input?

**Scope of Responsibility**

14. What are the main community concerns with relation to MM Mining at present?
15. What concerns does the community have for the long-term future?
16. How has the community engaged with MM Mining on long-term concerns?

**Governance (Self-regulation)**

17. Do you think MM Mining takes a consistent approach to CSR?
18. How could MM Mining be governed or regulated better?
19. Do you think MM Mining’s CSR funds may persuade government support? If so, how?

**Legitimacy of Company**

20. How would you define ‘good morals’ in relation to a mine company?
21. To what extent does MM Mining’s actions show legitimacy?
22. How does MM Mining’s CSR funding impact on community perspective?
23. How might MM Mining’s CSR funds influence communities’ decision-making?

Stakeholder group 2: Corporate Members

CSR strategies
1. How would you define ‘socially responsible’ business?
2. What do you know about CSR activities of MM Mining?
3. What do you see as the outcomes of the CSR activities?
4. What community responses are occurring over the MM extension plan?
5. How is MM Mining responding to the community?
6. To what extent do you perceive MM Mining to be ‘socially responsible’?
7. What are the main barriers for MM Mining in taking socially responsible action?

Deliberation
8. To what extent do you engage with communities in your operations?
9. What are the motivations to engage with community groups?
10. What is the MM Mining process for engaging community and government groups?
11. What are the challenges MM Mining faces in engaging community or government groups?
12. How does MM Mining deal with competing or multiple concerns from community or government groups?
13. What role do you see government playing in the CSR process?
14. What role do you see community groups playing in the CSR process?
15. What role does MM Mining play in relation to this?

Scope of Responsibility
16. What long-term future issues does MM Mining foresee for its MM mine?
17. To what extent does MM Mining engage with stakeholders on long-term future plans?
18. What challenges does MM Mining face in terms of long-term future plans?
19. What process does MM Mining take in engaging stakeholders in its future plans?

**Governance (Self-regulation)**
20. How does MM Mining enforce its own CSR standards?
21. What challenges does MM Mining face in terms of upholding CSR standards?
22. How does MM Mining’s work with government/regulators on CSR standards?

**Legitimacy of Company**
23. What moral values are important to MM Mining?
24. To what extent does MM Mining uphold strong moral values?
25. How does the MM extension plan make good moral sense?

**Stakeholder group 3: Government Members**

**CSR strategies**
26. How would you define ‘socially responsible’ business?
27. What do you know about CSR activities of MM Mining?
28. Where did you get your information about these?
29. What do you see as the outcomes of the CSR activities?
30. What do you see as the outcomes of the MM extension plan?
31. What are the likely costs or benefits of the MM extension?
32. To what extent do you perceive MM Mining to be ‘socially responsible’?

**Deliberation**
33. To what extent is there an open dialogue between MM Mining and council?
34. Who is included in the MM Mining engagement process?
35. Who may be excluded from the MM Mining engagement process?
36. How are divergent perspectives dealt with in this process?
37. How might council/government decisions be influenced by MM Mining?
38. How might MM Mining’s actions be influenced by the council/government?

**Scope of Responsibility**
39. What are the council’s responsibilities in relation to the MM extension?
40. What are MM Mining’s responsibilities to council/government?
41. To what extent do MM Mining and the council engage on long-term future plans?

**Governance (Self-regulation)**

42. What are your perceptions of MM Mining’s current approach to regulation?
43. What do you think the aims of corporate regulations ought to be?
44. What do you see as the most effective way of implementing corporate regulations?

**Legitimacy of Company**

45. What moral values are important to the council?
46. To what extent do you perceive MM Mining’s actions as legitimate?
47. To what extent does the MM extension plan make good moral sense?
48. How might MM Mining’s CSR funds influence government decision-making?
49. How might MM Mining's funds influence government perceptions of the company?
Appendix C – Information Sheet and Consent Form

Participant Information Sheet (General)

An information sheet, which is tailored in format and language appropriate for the category of participant - adult, child, young adult, should be developed.

Note: If not all of the text in the row is visible please 'click your cursor' anywhere on the page to expand the row. To view guidance on what is required in each section 'hover your cursor' over the bold text. Further instructions are on the last page of this form.

Project Title: Exploring CSR Strategies in the Australian Mining Industry

Who is carrying out the study?
Laura McNally - PhD Candidate, University of Western Sydney. Supervisors for this study include: Prof. S (Bobby) Banerjee and A. Prof. Fernanda Duarte.

You are invited to participate in a study conducted by Laura McNally - PhD Candidate, University of Western Sydney: Sustainability and Social Research Group.

What is the study about?
The purpose is to investigate and explore the experiences of individuals involved with corporate social responsibility initiatives, gaining their perspectives on the process and outcomes.

What does the study involve?
An interview regarding views on corporate social responsibility activities, including what participants know, how they are engaged and their perception of the efficacy and outcomes. This will be voice recorded for the purposes of transcribing for qualitative analysis. Interviews will be conducted at a time and place that suits the participants needs, for example: place of work, place of meetings or home. Some follow up will occur which asks participants to affirm or clarify their feedback on the items, this is expected to occur in the month following the initial interview.

How much time will the study take?
40 - 60 minutes in line with the participants availability for interview. Some follow up interviews will be conducted to clarify outcomes, this will take no more than 30 minutes further.

Will the study benefit me?
Yes. The study will benefit all individuals involved in corporate social responsibility initiatives (from business, community and government/non-government). For all individuals involved this is an opportunity to have input in developing a new approach to understand and measure the outcomes of social responsibility initiatives.

Will the study involve any discomfort for me?
No.
How is this study being paid for?
The study is being funded by the University of Western Sydney's PhD Scholarship program for research in social and sustainability outcomes.

Will anyone else know the results? How will the results be disseminated?
All aspects of the study, including results, will be confidential and only the researchers will have access to information on participants. Transcripts and notes from the interview will be maintained by the Chief Investigator and only the research team has access to this data. The results will be published in the form of a project report and in a PhD Thesis. Names of organizations and individuals will be kept strictly confidential and no one will be identified in any published or unpublished report from the study.

Can I withdraw from the study?
Participation is entirely voluntary; you are not obliged to be involved and - if you do participate you can withdraw at any time without giving any reason and without any consequences.

Can I tell other people about the study?
Yes, you can tell other people about the study by providing them with the chief investigator's contact details. They can contact the chief investigator to discuss their participation in the research project and obtain an information sheet.

What if I require further information?
When you have read this information, Laura McNally will discuss it with you further and answer any questions you may have. If you would like to know more at any stage, please feel free to contact Laura McNally - PhD Candidate, University of Western Sydney: 0414 429 434.

What if I have a complaint?
This study has been approved by the University of Western Sydney Human Research Ethics Committee. The Approval number is H10075.

If you have any complaints or reservations about the ethical conduct of this research, you may contact the Ethics Committee through the Office of Research Services on Tel +61 2 4736 0229 Fax +61 2 4736 0013 or email humanethics@uws.edu.au.

Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.

If you agree to participate in this study, you may be asked to sign the Participant Consent Form.
Participant Consent Form

This is a project specific consent form. It restricts the use of the data collected to the named project by the named investigators.

Note: If not all of the text in the row is visible please 'click your cursor' anywhere on the page to expand the row. To view guidance on what is required in each section 'hover your cursor' over the bold text.

Project Title: Exploring Political Corporate Social Responsibility Strategies in the Australian Mining Industry

I, ................................, consent to participate in the research project titled Exploring Political Corporate Social Responsibility Strategies in the Australian Mining Industry.

I acknowledge that:

I have read the participant information sheet and have been given the opportunity to discuss the information and my involvement in the project with the researcher/s Prof. Banerjee and/or Laura McNally.

The procedures required for the project and the time involved have been explained to me, and any questions I have about the project have been answered to my satisfaction.

I consent to the interview process regarding my views on the corporate social responsibility initiatives as well as audio taping of the interview process for data collection. I recognise that some participants will be invited to review their interviews outcomes and data in the coming month and give consent to be contacted for further follow up within that time.

I understand that my involvement is confidential and that the information gained during the study may be published but no information about me will be used in any way that reveals my identity.

I understand that I can withdraw from the study at any time, without affecting my relationship with the researcher/s now or in the future.

Signed:

Name:

Date:

Return Address: Prof Banerjee & Laura McNally
University of Western Sydney
Locked Bag 1797
Penrith
NSW 1797
Appendix D – UNGC Ten Principles

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.