

RECOMMENDATIONS FOR MINING COMPANIES

Establish Legitimacy through Partnership. The legitimacy, accountability and effectiveness of sticking a corporate nose in the affairs of a conflicted society are controversial issues. A company's participation in the prevention or resolution of violent conflict is necessarily limited by the duration of the company's operations in the area. Moreover, companies may be good at building value, but are they good at making peace? In spite of their best efforts in proactive conflict management, firms may still be seen as complicit in the violence, as long as they continue to operate in a particular region.

Misplaced intervention can also draw unwanted attention to the company, both locally and internationally. It can make a bad situation worse. And the more direct a company's engagement in the conflict, the greater the risk to its reputation and personnel.

On the other hand, corporate financial and managerial capacity often outstrips that of the state in which it is operating, and firms can sometimes act far more decisively – and effectively – than official multilateral organizations.

The greater a firm's direct involvement in the conflict, therefore, the greater the need to work in partnership with other businesses, civil society and international organisations, governments and community groups. Otherwise, the firm will face challenges in regard to its legitimacy in tampering with a country's domestic affairs, and in regards to its limited know-how in addressing complex community development and political affairs.

Build Trust through Credible Reporting and Verification. Trust is established by keeping promises⁶⁶. Mining companies must also assess how best to design interventions, and to communicate efforts sincerely, with all sides of the conflict and with the broader public. Assuring outsiders that the firm is 'doing what it claims to be doing' may require third-party verification of social impact and investment reports.

⁶⁶ Nash, J. and Ehrenfeld, J., 'Building Trust And Legitimacy: An Assessment of Changes Brought about by Responsible Care', MIT Forum on Chemicals and Society: *A New Look at Persistent Concerns*, 11-12 June 1998.