

CSR, in-reach, and social disintegration in the mining region of Labrador West

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Unfortunately, this is not an uplifting or inspiring story about the success of corporate social responsibility (CSR) policies or the importance of business as a driver of positive social change. This is a story about the ongoing hardships of communities in Labrador West (specifically the connected municipalities of Labrador City and Wabush) and the mining industry that is central to the region.

Before moving on to discuss the details of what is happening, I want to make clear my reasons for writing. Most importantly is a hope that a re-evaluation of policies within [Rio Tinto-Iron Ore Canada \(IOC\)](#) might alleviate some of the suffering and worst outcomes. Secondly, my purpose is to provide a case study on CSR efforts for extractive industries and to promote strategies for “in-reach.”

A spate of suicides by mine workers in Labrador West in recent months has been [directly linked](#) to internal policies and practices of the IOC operation. Due to the collapse in ore prices in recent years, the region has been experiencing an economic bust, which has brought with it a number of social problems and community stresses that are [all too familiar](#) to residents who have lived through previous boom-bust cycles.

Along with the uncertainty and social turmoil caused by layoffs and the general slowdown and reorganization of operations at IOC, [reports have emerged](#) that the company made cuts to its mental health services. Reports have also emerged from Labrador Indigenous communities that [racism on the worksite](#) is a contributing factor in the recent suicides.

Government officials, from the municipal level to Indigenous governments to the provincial government of Newfoundland and Labrador, are calling on IOC to bring in extra mental health services and to examine what is being described as a toxic workplace environment. The company is scrambling to address the crisis, which, along with the human toll, is turning into a PR and social license nightmare.

Perhaps most tragic is that Rio Tinto has some of the most innovative thinkers in CSR theory for extractive industries. Bruce Harvey, Rio Tinto’s Global Practices Leader of Communities and Social Performance, wrote [a ground-breaking 2014 paper](#) for the journal *The Extractive Industries and Society*. In this paper, Harvey promoted what he called “in-reach” as an alternative or counterpart to more typical “outreach” programs of CSR. In-reach, as Harvey theorizes it, involves intensive “local induction” courses which “should provide local historical and contemporary context and a ‘safe’ environment for employees and community members to discuss difficult issues. It should oblige employees to listen, reflect and discuss, and as an introduction it should teach them how to” (10).

Harvey’s program for in-reach has a number of other specific suggestions which together create an approach to CSR focused on the internal policies and practices of extractive companies rather than on outreach, which he characterizes as extractive companies mistakenly attempting to take

on the role of development agencies. By internally focusing on the health and wellbeing of workers, and by developing a nuanced awareness of the local context and history, extractive companies essentially build social license from within. Such in-reach must be done authentically if it is to be meaningful, and Harvey says that this requires a cultural shift within the company similar to the cultural shift in valuing workplace safety that was so effective in reducing accidents:

The point I want to emphasise in conclusion is that bringing local 'social licence' work back into the business, under the accountability of day to day business managers, not strategists and polemicists at the centre, is the key to success. Industry has not 'farmed out' safety accountability. Success has come from eliminating safety departments per se, and making safety an explicit hour by hour accountability of operational managers. Similarly, securing a 'social licence', which by many accounts is the greatest risk the extractive sector faces, needs more 'in-reach' of the safety accountability kind, and less 'outreach'. (11)

IOC has [a number of outreach programs](#) in Labrador West and in the province more generally. It has [partnerships and outreach programs with Labrador Indigenous communities](#). And indeed it has specific [community advisory panels](#) to try to work with advocacy groups and community stakeholders. Nonetheless, is it clear the company has not taken to heart the importance of in-reach as it is theorized by Harvey, its own CSR specialist. Because if it had, it would not be cutting mental health and other services to employees at the very moment such services are most needed, and if it had there would not be recurring reports of racism and discrimination.

I do not wish to sound callous or utilitarian – the human cost of lives lost needs to remain the primary concern, and it is my hope that IOC will take whatever steps it can to deal with the crisis. However, one needs to question whether whatever savings the company may have seen from cutting services or from not implementing an authentic program of in-reach are worth the impact on social license. IOC is now also scrambling to bring in mental health professionals and to reform internal policies, all of which has costs that likely go beyond whatever may have been saved by the cuts.

To be clear, I am not suggesting there are any simple solutions with respect to the unprecedented economic bust in Labrador West and all the attendant social disintegration. Nonetheless, it seems obvious that IOC would have done much better by taking to heart new strategies and practices of CSR that were developed by its own people.