

Community Perspectives on the Business Responsibility to Respect Human Rights in High-Risk Countries

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“There has been only noise about human rights, nothing practical has been done. Our people have suffered and they need good deeds and honesty. Instead we have words written on ice and put to the sun.”

– Villager in Aynak, Logar, Afghanistan

PREFACE

CDA Collaborative Learning Projects (CDA) is a non-profit organization, based in Cambridge, Massachusetts, that is committed to improving the effectiveness of international actors who provide humanitarian assistance, engage in peace practice, and are involved in supporting sustainable development. CDA's Corporate Engagement Project (CEP) is a collaborative effort involving business leaders, bi-lateral agencies and institutions working with multinational corporations that operate in areas of socio-political tensions, instability or conflict. Its purpose is to help companies understand how corporate operations can achieve positive, rather than negative, impacts on local people and societies. CEP collects and analyzes field-based evidence to develop tools and guidance for practical management approaches to address local challenges and to ensure that companies establish productive and positive relations with local communities.

CDA has collaborated with the Institute for Human Rights and Business (IHRB), as it develops guidelines for companies operating in areas of actual or potential conflict so that they fulfill corporate responsibility to respect human rights and conduct enhanced due diligence to ensure rights-based business practices prevail. Human rights are an increasingly important element of the criteria against which companies' impacts on society are being assessed. Achieving rights-based business practices is of strategic importance for business with respect to legal implications, mitigating corporate risk, value creation for companies, and maintaining a stable operating environment. At the international level, companies are facing pressure to incorporate human rights considerations into operations and to report on progress, and at the local level human rights are expected to be taken into consideration as a means to attain the "social license to operate" in order to achieve viable and stable operations among local communities (IHRB 2010).

The IHRB guidelines, provisionally entitled "Green Flags¹ - Respecting Human Rights in High-Risk Countries", is being developed in alignment with relevant UN human rights mechanisms and processes seeking to address the roles and responsibilities of business and other non-state actors. The purpose of this report is to contribute additional findings regarding expectations of those directly impacted by corporate activities, to deepen understanding around how businesses can ensure respect for human rights in corporate activities and operations.

This report is arranged by chapters. Chapter I introduces the purpose of the report and methodology. Chapter II provides a summary of findings, including general observations of how local communities perceive and articulate their rights in relation to the presence of business operations. Chapter III provides detailed insights into how and why community members prioritize their rights. Chapter IV analyzes the expectations of community members regarding their rights, for which they hold companies responsible; and brings the report to conclusion. Finally, the Annex section includes country-level reports from which this report draws evidence.

It is noted that the observations in this report are a summation of findings across several countries during July and August 2010. CDA invites comments and feedback on the observations laid out in this report. In all of CEP's work we seek to establish partnerships among groups with different approaches, with the ultimate objective of improving the lives of people who live near private sector operations.

¹ The Green Flags are to be seen as complimentary to the Red Flags Initiative (www.redflags.info) published by the Norwegian think tank Fafo, and the London-based peacebuilding organization, International Alert. Red Flags provide clear guidance to businesses about the liability risks to which they are exposed when they operate in zones of conflict and other high-risk zone. The report cites nine instances where corporate conduct may contribute to grave human rights abuses, which can lead to legal risks. The website provides a detailed database of instances where businesses have been prosecuted.

CHAPTER I

Introduction

In his initial report as the UN Secretary General's Special Representative for Business and Human Rights, Professor John Ruggie presented the "*Protect, Respect, and Remedy*" Framework, which establishes that it is the duty of states to protect human rights; the responsibility of companies to respect human rights; and that there is a need to develop effective remedies for violations (Ruggie 2008). He highlights both the important role of States, home and host, in providing assistance to businesses operating in such contexts and emphasizes the ongoing responsibilities of businesses in such situations to avoid adverse impacts on human rights.

The UN Human Rights Council unanimously approved this framework, and it has enjoyed wide international uptake by governments, companies and business groups, labor organizations and NGOs. Wide support for the human rights framework suggests that it will increasingly serve as the baseline for developing, assessing, and operationalizing better rights-based business practices for transnational corporations. While Ruggie's Framework is increasingly accepted by businesses, evidence suggests that challenges remain with respect to implementation. What specific actions should a company take in order to ensure its operations are consistent with its responsibilities to respect human rights? Do extreme conditions of conflict necessitate additional responsibilities those which would apply in more stable contexts, and, if so, what might these entail? How can a company ensure respect for human rights when other actors, notably the state, are unable or unwilling to fulfill their own responsibilities in this area?

As the *Respect* component of the Ruggie Framework aims to provide a strategic concept for business systematically addressing human rights (Ruggie 2010), the Institute for Human Rights and Business (IHRB) aims to develop clear and practical guidance for business, the "Green Flags", that addresses these questions, drawing upon both existing and emerging thinking and experts across the related fields of business, human rights, and conflict.

In addition to international best practice, the IHRB and CDA deemed it critical that the "Green Flags" guidance is also informed by the perspectives of those whose rights are impacted by business operations. Professor Ruggie points out that "Because human rights concern affected individuals and communities, managing human rights-risks needs to involve meaningful engagement and dialogue with them (Ruggie 2010)." To the extent that, through their operations, companies are infringing on the rights of local communities, it is imperative for the company to understand the local community's conceptualization of its rights as well as the perspectives of local communities when assessing potential impacts of company operations. Thus, there is an existing need to understand the relevance of the internationally-recognized framework for human rights as it relates to local community members' estimation of their rights.

As part of the project, CDA has undertaken an initial exploration of perspectives of those whose rights may be impacted by business operations, on the issue of business respecting human rights. CDA managed research, working with local partners across four countries to perform a series of interviews with community representatives outlining the perspectives of their communities on the issues surrounding human rights, conflict and business.

This report collects and analyzes the perspectives of those community members regarding their personal rights and the impacts of locally-operating business on their lives. The findings in this report reflect the voice of those most affected, and analyzes their responses to draw broader conclusions

regarding the implications of community expectations on corporate responsibility to respect human rights. The objective is to generate a better understanding of how communities conceive of, articulate and prioritize their rights in situations where they are affected by foreign business operations. It is intended that the findings from this report will add relevance and legitimacy to corporate guidance, ensuring that the “Green Flags” project, as well as global discourse on rights-based business principles, respond to realities on the ground.

Many interviewees expressed their gratitude to the researchers for talking to them about their rights. None of the communities contacted had ever been approached for their views about the companies operating in their areas nor asked about how they impacted the community.

“You are the only people in the past ten years to have come and asked for our opinion about the factories.” - Shopkeeper, Herat, Afghanistan

Methodology

From July – August 2010, CDA worked with local partners in four countries to undertake a week-long series of field-based interviews with community representatives outlining their perspectives of issues surrounding human rights, conflict and business. The research presented in this report is based on country-level reports (attached in annex) of communities living in close proximity to commercial enterprise, primarily multinational companies. Field research was conducted in Afghanistan, Colombia, Sudan, and Mindanao, Philippines, in regions with locally-operating industries of palm oil, oil and gas, copper mining, cement manufacturing, agribusiness, factories, and bottling plants.

The research includes perspectives across a wide range of community members; interviewees were chosen at random, while at the same time ensuring a representative sample was achieved. Interviewees included local community members as well as key actors in the region, such as community leaders, municipal officials, regional officers, religious leaders, civil society leaders and members of NGOs working locally. Focus across all interviews was given to maintaining a gender balance. This was achieved in all countries with the exception of Afghanistan, where the team was not able to recruit a qualified female researcher and, due to cultural barriers, was therefore unable to interview women.

Prior CDA field-based research has found that although community members often do not use internationally-recognized human rights language when talking about impacts of private enterprise on their lives, communities are aware of their rights and how they often feel they have been wronged or those rights compromised. Thus, during the field interviews, the idea was not to pre-determine the language used by communities by focusing on international human rights mechanisms but rather to capture their perspectives in their own words, using an inductive approach to address core issues through an informal, open-ended process. The community perspectives collected have been synthesized with and support the findings of the Corporate Engagement Project, which have been developed through an ongoing collaborative learning process of collecting community perspectives around company operation sites across a number of countries and varying contexts.

The interviews explored community perceptions about their rights; their claims to different rights and the obligations of the duty bearers to realize these rights. Community members were interviewed about how the local operations of companies had impacted the community; in particular what benefits or issues had arisen as a result of business activities. They were also asked about their expectations in relation to the companies and what they considered to be the responsibilities of the companies together with the responsibilities of the government. Key questions asked were:

- How communities conceive of, articulate and prioritize their rights in situations where they are affected by foreign business operations
- How communities feel they have been impacted by a company's operations (both positively and negatively)
- How communities view the intersection between the responsibilities of company and state with regards to their rights
- How perceptions vary within communities

Project Locations

Sudan. Research was conducted along the border region of North/South Sudan, within Unity, Southern Kordofanian and the disputed area of Abyei. The focus of the research was in and around the oil operations of CNPC, Petronas and Sudapet. This region contains 84% of the Sudanese oil reserve; 54% in Unity State and 30% in Abyei area.

The region is inhabited by a multitude of native South Sudan tribes (Miseria, Nuer, and Dinka), as well as seasonal migration of northern Arab nomadic cattle breeders. The researchers met with the following ethnic groups: Arab nomads of Baggara, found in their small camps along the main roads to Abyei, Bantiu and Paryang; the Nilotic group of Nuer, who work as fishermen, cattle breeders or traders; and the Dinka in towns closest to oil operations in Pariank and Abyei areas. Despite the massive displacement that the area witnessed during 1980-2005, since the signing of the Comprehensive Peace Agreement (CPA) there has been a greater return of internally displaced peoples to the south.

As the country's oil resources are concentrated in these areas, the political and economic implications of (outstanding) border demarcation have been amplified. The area continues to be fraught with political and tribal tensions over control of natural resources and some border areas remain dangerously militarized. Both heavy state military presence, as well as international oil companies, whose investments and activities they are securing, is seen as an intrusion by locals.

The Philippines. Research was conducted in Mindanao, Philippines in Lanao del Norte, Zamboanga Peninsula, and Bukidnon. Research was conducted near operations sites of cement manufacturing companies in Kiwalan and Lugait, mining companies in Canatuan, Balukbahan and Conacon of Zamboanga Peninsula, and agricultural business in Bukidnon.

Mindanao's inhabitants can be divided into three broad categories: (1) the Islamic natives known as Muslims or Moro people, (2) the indigenous peoples known as the Lumads, and (3) 20th century migrants, or settlers, from Luzon and the Visayas that make up the majority population. Past encouragement by government for migration and permanent settlement of the third group in Mindanao has become an on-going source of inter-ethnic conflict. Clashes continue over autonomy, ancestral domain, and recognition of a Memorandum of Agreement on Ancestral Domain (MOA AD). However, it would be an over simplification to attribute the conflict in Mindanao solely to diversity in ethnicity and religion. Despite a wealth of natural resources, Mindanao is one of the poorest provinces in the country. Poverty remains a key factor at the intersection of ethnic tensions, land use, and control of natural resources.

Colombia. Research in Colombia was conducted in the Department of Meta, the municipalities of Apiay, Villavicencio, Acacias, Puerto Lopez and Puerto Gaitán. Researchers looked primarily at the oil, gas and palm oil sectors. The Meta department is situated in the region of greatest oil wealth in Colombia and is

the main producer of oil barrels nationwide. There are currently 11 oil production areas, primarily operated by Ecopetrol and Metapetroleum.

Meta has experienced a recent economic boom related to advances regarding the exercise of territorial control by the Colombian State that have taken place in the past few years in the region. These have contributed to integrating Meta into national economic dynamics, which, from local perspectives, is driven by an economic interest of the government favoring large capital investments to the region, through tax incentives and exemptions, to incentivize productive projects intended to stimulate the local economy and provide social welfare.

However, the influx of capital into the Meta department occurs in a complex social and political context, where hundreds of thousands of civilians have been displaced by armed conflict, which has included acts of violence perpetrated by the left-wing FARC and the right-wing AUC (paramilitary) squads, as well as major operations by the armed forces to control and demobilize FARC and AUC. The department remains insecure and heavily militarized, by both FARC and AUC, in order to control and protect drug routes.

Afghanistan. Research in Afghanistan was performed in the provinces of Herat, Logar and Kabul. In Herat, interviews took place in three different locations (Guzara, Injil, and Herat City), focused on industrial factories. Interviews in Kabul were near the Coca Cola bottling factory in Bagrami, and interviews in Logar were focused on the copper mine in Aynak.

Across Afghanistan the economy is dominated by the agricultural sector, with about 59% of the employed population engaged in agriculture or livestock work.² Male workers account for 99% of the workforce in construction, transport and communication. Women account for the majority of workers in manufacturing (70%), but they are primarily engaged in home-based craft industries. The Afghanistan National Risk and Vulnerability Assessment concludes that ‘women remain at a disadvantage in securing paid jobs’, with an overall share of just 8% for wage employment in the non-agricultural sector.

Although the security situation in Afghanistan has deteriorated over the last five years due to the increasing strength of the Taliban, insecurity has not only resulted from insurgent activity. There are also conflicts between communities, tribes and ethnic groups over land disputes, access to water, and honor-driven disputes. In addition, the continued presence of “warlords”, who command significant numbers of armed men, cause further insecurity when communities are caught in the middle of power struggles, or when a prominent warlord makes demands of communities. The lack of security in areas has also increased criminal activity, as police and the Afghan National Army are focused on fighting the insurgency. Poverty, illiteracy and unemployment are cited as causes of conflict, and criminal abductions to secure ransoms have been on the rise.

² National Risk and Vulnerability Assessment (NRVA) 2007/8, A profile of Afghanistan, Central Statistics Office

CHAPTER II – HOW COMMUNITIES UNDERSTAND THEIR “RIGHTS”

Why do Companies continually get accused of violating “Rights”?

As international convergence around the responsibility of companies to respect human rights increases, many companies have proactively signed on to Human Rights principles and have made reference to rights in their Codes of Conduct. Increasing number of companies have, or are developing, explicit Human Rights policies, and most have had long-standing components of a human rights policy; primarily focused on labor issues.

Still, companies and institutions that work with private enterprise are continually faced with the conundrum that, despite effort by companies to move towards human rights principles, companies still get accused of “abusing rights”³. As a near-daily occurrence, advocacy groups, NGOs, and Ombudsman are publicly bringing to task companies that are accused of negatively impacting local communities and the environment in which they live. These perceived impacts have meant that, although the local community may not speak in terms of internationally-recognized human rights language, the issue of “rights” arises as the relationship between a company and a community deteriorates often leading to demonstrations, work interruptions, bad press, abuses, charges of complicity, and worse.

During extensive field work, the Corporate Engagement Project has found that the community’s *perception* that the company is abusing their rights is equally, if not more important than factually documented “*truth*”. A disconnect in understanding arises because communities speak about what they perceive to be reality and what they assume to be the company’s motivating factors. On the other hand, companies speak about, or respond in regards to, the “facts” that they know. For example, local community members may complain about the reduced quantity of fish in their rivers due to pollution from company operations and the company may respond with a statement that “based on lab results, there are no elevated levels of pollution in the water”.

Escalation of tensions around community rights comes from the gap between these two perspectives. There is no common ground from which the company and community can work, and thus the community can only maintain its belief that its quality of life and the surrounding environment have been negatively impacted by the company. No matter that the company asserts the “facts” the community cannot be appeased if it does not see the company demonstrate transparency and answer to the concerns and questions that are raised. Thus, a continual cycle of company-community tension is created due to disconnect between how communities perceive their rights, and how companies perceive and approach communities’ rights – both individual and collective. Therefore, companies are continually faced with the challenge of determining what it takes to fulfill human rights obligations and to meet community expectations regarding their “rights”.

³ Because companies, like any other non-state actor, are not signatories to treaties, if they act in ways that infringe or undermine rights, the appropriate term is “abuse”. On the other hand, the term “violation” is typically used when the State violates rights, since it is the violation of a specific treaty or law. Rights, too, are defined to mean those codified under international standards. However, on many occasions, disputes that may have little to do with human rights are characterized as human rights issues.

How Communities Perceive and Articulate their “Rights”

Although community members’ expectations are sometimes aligned with the stipulations set forth in the UN Declaration of Human Rights of 1948, how they define their “rights” is different from that of companies or human rights frameworks. Many communities in developing countries articulate their rights in terms of social, economic and cultural rights. They are more likely to speak in terms of “expectations”, rather than “rights”, which means that their expectations of their rights often falls outside of the internationally-recognized parameters of universal human rights. Whereas companies operate from a viewpoint of human rights as civil and political rights (and therefore the responsibility of the State), communities operate from a viewpoint that their rights are related to respect for their values and traditions.

Where accusations are leveled, companies are often associated with being “morally” wrong in regards to community expectations. For example, provision of revenues to an abusive government through contractual obligations, or paying low compensation because it is in accordance with national law may be within the legal bounds of the company’s operating requirements, but is deemed by the community to be a sign of disrespect and considered as a negative impact. This means that, although a company may be operating legally, it may still have to face challenges and grievances from communities regarding their “rights”.

Communities expect companies to be “morally” right by ensuring the community receives reciprocal benefits, often above and beyond legal requirements, as a sign of respect and a demonstration of appreciation for the benefit the company gets from operating in the local region.

Zakat

There is an expectation by many communities that the company will understand and follow local cultural or religious beliefs in regards to rights and benefits-sharing. In Afghanistan, expectation of corporate respect of “rights” includes an obligatory charitable contribution by those better off to those less fortunate. People reaching a certain threshold of capital are expected to pay *Zakat*, the fourth pillar of Islam, and most companies making a profit are considered to fall within such a threshold. Hospitality and generosity on the part of all entities are also integral parts of Afghan culture.

“It is moral and Islamic responsibility of everyone to help people in need by taking the hand of their Muslim brother.” Shopkeeper, Herat, Afghanistan

Indigenous Peoples in Mindanao also have a strong sense of sharing that which is considered a blessing, and a lack of sensitivity by outsiders is perceived as unfair and disrespectful by the local community. NGOs operating in the region have recognized they need to be creative in terms of relief giving. For example, people who are not considered internally displaced peoples (IDPs) complain if they are not given relief that others are receiving. “There is just but a thin line that differentiates them from the needy during war evacuation, that they too are so much in need of food and any form of relief.”

How Communities Recognize their “Rights”

With that said, knowledge and understanding of human rights, as set forth in internationally-recognized mechanisms, is limited among community members. “Human Rights” as a concept often did not have a clear meaning to many interviewees and answers were not forthcoming unless specific, and therefore,

leading questions were asked during field interviews. The concept of personal rights was understood far more in the context of being forced to do something, rather than in the context of deprivation or lack of access. Accordingly, the discussion of human rights was raised by respondents only in regards to explicit abuses or concerns regarding corporate action.

In the Chocó department of Colombia, some communities were displaced by paramilitary groups in order to install African Palm producers. The companies then purchased said land, with forged papers, at a very low price. With these forged documents money was provided by the government for productive projects.

A Colombian prosecutor indicated that, in the case of Curvaradó and Jiguamiandó, "African palm generated not only the illegal appropriation of land, but allowed the repopulation of the area with people loyal to the paramilitaries, their militants, or just submitted to their interests". He concluded that "crimes committed in Jiguamiandó and Curvaradó were a hidden form of industrialization of crime".

Consequently, palm oil continues to be viewed suspiciously due to perceptions of a close relationship between industry and paramilitaries, and thus increased insecurity in the area.

Many community members said they often feel a need to compromise expectations and "rights" in one area in order to receive benefits in another area. They are more likely to keep grievances hidden for fear of jeopardizing potential investment in their area or opportunities for employment and improvements to the local economy. Communities directly impacted due to the presence of a company think that it is better to endure negative impacts so as not to lose meager benefits and jobs.

Communities near factories tended to speak more about employment benefits and, while recognizing negative impacts such as environmental health issues and perceived corruption, were willing to endure these negative impacts in exchange for the economic benefits. However, communities near extractive operations tended to have more grievances towards the company, and perceived benefits from employment and social investment as inadequate. They spoke most frequently on issues around land acquisition and compensation, environmental impact, and lack of sufficient revenue sharing; viewing negative impacts as far outweighing any positive impacts. Community respondents did not make significant distinctions between multi-national corporations, state owned companies, and local enterprise.

To the extent that local people are aware of their rights, they did see disconnect between publicized policies on human rights and action by the company and the government. Communities also felt that company's promises, about corporate social responsibility activities or human rights, are often hollow. Their expectations are raised, but never fulfilled.

"Ecopetrol raised the idea of 'good neighbor', according to which Ecopetrol did some works in the village but not as 'their responsibility, but as a gift'...but to get to real solutions is very difficult" - Community leader, Meta

Of those aware they have "rights", few were clear what their explicit rights were and who was responsible for providing them. The relationship between claim holders and different duty bearers was not understood. This is reflected in the belief expressed by some that companies were responsible to build roads, and provide water, schools and clinics to the community. What is clear is that, whether community expectation held company or government responsible for fulfilling community needs,

frustration and disappointment regarding unfulfilled promises was generally directed at the locally-operating company. This is likely due to combined factors of the company being the most accessible local entity and the community viewing the company as an easy target or proxy for their frustrations with an absent government.

One reason given for the lack of understanding of personal rights as it relates to company presence is that the concept of “business and human rights” is considered new. Few initiatives have been undertaken to raise awareness and increase the communities’ understanding of their rights. In countries and regions affected by conflict, such as Colombia and Mindanao, Philippines, the topic of human rights is closely related to social movements advocating for the respect of the rights of victims of armed conflict. Thus, the link between human rights and business operations is not clear and is mostly absent from local perspectives. Business responsibility regarding labor practices was the most immediately recognized responsibility by communities, and often the only, with regards to business and human rights.

“No one has ever spoken about human rights and factories. Not the government or any other organization.” Focus group discussion, Herat, Afghanistan

“For the interviewees it seems very clear that Human Rights is a matter for the State and Corporate Social Responsibility is something that companies have to be worried about.” – Meta, Colombia report

Community members who recognize they have limited knowledge of human rights suspected that the situation is intentional. They perceive that the government and the company have purposefully left them ignorant as a means to ensure that they are more susceptible to exploitation. Hence, community members spoke in terms of not having trust in officials or external representatives who would be expected to represent their interests. People believed that even if members of the community had a better understanding of their rights, their poverty caused them to accept poor wages and working conditions as being better than no work and no wages at all. To that extent, those who were better informed about the concept of human rights tended to be from urban areas where there were higher education levels and exposure to news and current affairs. In the more rural locations, there was a very limited understanding of the rights to which community members were entitled. The research did not find other significant differences among different strata of community members.

“So it is illiteracy and poverty that make people work with lower wages and bad conditions. The laborers cannot defend rights they do not even know they have.” - Focus group discussion, Herat, Afghanistan

One clear exception was indigenous groups in Mindanao, Philippines. The Subanon community has taken up fight for land protection, grounded in their working knowledge of the Indigenous People’s Right Act, 1997 (IPRA). The law has not guaranteed protection of the Subanon against recent state-encouraged foreign investment in their area and the community has sought outside help from institutions like the Church and NGOs to help provide protection. Subanon leaders and community members clearly articulate their rights and the responsibility of companies and government to mitigate conflict.

“We want any mining company to enter our territory by following the right process. We know that there are laws concerning this. The local or national government should itself abide with the laws.” – Subanon community leader, Mindanao

CHAPTER III – HOW COMMUNITIES PRIORITIZE THEIR EXPECTATIONS

Although they may not use internationally recognized human rights language, communities clearly define their expectations as being equivalent to what they expect as “rights” owed them by responsible parties. In the case of companies, community expectations are generally associated with the impacts they have experienced as a result of locally-operating companies. Although these expectations are often broader than stipulations set forth in human rights frameworks, for the rural community member, the company’s ability to understand and meet local expectations is of greater immediate relevance than international human rights standards. In so much as communities speak of their expectations more so than their human rights, the following are common themes found across countries and regions.

Quality of Life

During field interviews many respondents spoke of the positive impacts of private sector presence in and near their communities. Communities recognized that companies coming to the area are associated with a boost to the local economy resulting in a better standard of living, improved infrastructure, and opportunities for marginalized portions of the community. Secondary benefits, such as improved services resulting from increased investment in the area were also mentioned.

In Meta, Colombia, despite negative experiences with the industry, community members recognized the benefits of economic stability that palm oil brings over other historical crops, such as rice. In Afghanistan, there is an appreciation for additional products and variety that factories bring to local markets, usually at a reduced price. Most of all, communities valued the opportunities for employment that factories brought.

“A large number of people from the area are employed in the factory. They produce good drink and people are happy.” - Villager, Kabul, Afghanistan

Labor and Gender in Afghanistan

In industrial and handicrafts factories, companies tend to employ women for work that requires manual dexterity such as processing, packaging and labeling. Women work in women-only shifts or in sections with minimum or no interaction with men. Most women are employed to work in groups, which provide a network of support and protection. This helps to encourage other women from the community to seek employment and provides families with enough assurance to allow women to leave the house and go out to work. In areas of increased insecurity, women are primarily engaged in home-based craft industries.

Positive impacts also included soft issues such as relationships and company behavior. Interviewees expressed a sense of positive relationship and loyalty to companies that have demonstrated genuine concern for the local community. Community members also viewed companies that are perceived as having a net-positive impact on local people’s lives as more established, long standing entities within the community. They referred to companies that provide direct employment and demonstrate genuine concern regarding the social conditions of their employees as having a “sense of belonging” in the community, as opposed to other operations which were referred to as unknown, and predatory.

Communities also observe economic benefit that their communities receive from revenue sharing. They expect to see revenues invested into their communities, through infrastructure development, social

services, and capacity building and training. In Afghanistan, the community felt a sense of ownership towards the local mine since it was a natural resource in their area. As a result, they expected to be the primary beneficiaries for the operations of the mine. In Mindanao, a group of women highlighted the positive social impact of a cement company that focused on community-wide needs like schools, health services, roads, and other projects.

“We know that 1% of the mining cost is provided by law to be given for Social Development Management Programs (SDMP). From it our Local Government Unit set up livelihood projects, infrastructure project, education assistance, health assistance and feeding.” - Community Health Worker, Misamis Oriental, Mindanao

Infrastructure

Many community members spoke of the positive impacts they receive as secondary beneficiaries of increased infrastructure. In Afghanistan, a Chinese company has agreed, as part of investment in a copper mine, to construct a coal-fired electrical power plant and a freight railway. Although the railway will primarily supply materials and transport for production from the mine, the power plant will produce electricity for both the surrounding area and for Kabul. In Sudan, new roads have made some areas more accessible during most of the year. People are able to move more freely, increasing commercial activity over the North/South border area, enriching the demographic composition, and expanding the economy beyond agriculture and cattle breeding to entrepreneurial endeavors in timber, commodities, charcoal and fishery.

According to some these services are good achievements of companies, but are still considered insufficient in comparison to the length of time the companies have been operating in the area. As well, community members acknowledge new roads as being primarily of benefit to the company, rather than having been installed for the well being and improved access of communities. With these roads they see greater environmental and health impacts affecting the community.

“They are not leaving things, specific things, to the region instead they are doing things that they need at the moment to exploit. But then the problem stays...If you see a very good intention from the company you would think they suddenly paved this road. In this road they throw dust, pollute, create accidents mules transport (trucks) and truckers”. – Religious leader of Puerto Gaitán, Colombia

Environmental Impacts/Environmental Health

The welfare of the environment factored into most conversations. Environmental concerns ranged from health risks emanating from dust, smoke and noise, to the environmental impacts of increased numbers of vehicles from mine operations. People were concerned about long term environmental degradation of their communities and the lack of action by companies to ensure otherwise. Respondents also held an appreciation for the earth as an entity having rights and that their perception of their rights is directly linked to the welfare of their land.

“What good are their human rights if the environment is destroyed” – Mindanao Report

In Afghanistan, people complained that, because irrigation canals had been lost as part of the land given over to the company, there was not enough water during the day to irrigate their fields and other sources of water had to be found. In Mindanao, farms, water supply, and the mobility of locals are affected by the dust, heat and blasting of the company. As compensation, they feel that they should be prioritized in the hiring for labor, and guaranteed a regular tenure.

“That stagnant water should have been created, for whatever purpose it is, away from the houses. To make it safe and not cause harm on our health with mosquitoes that could thrive on it. They

always talk about safety in the plant; they should think of the safety also of the surrounding people. The dust that they emit...goes to us; we are the ones inhaling their dust.” - Muslim community traditional leader, Lanao del Norte, Mindanao

Sustainable Development Impacts

Despite the recognition that business operations have brought, and could potentially bring more, opportunity to the community, mention of positive impacts were generally immediately followed by discussion of how these impacts often fell short. Communities often find that economic impacts are not as large or long-lasting as expected. Communities believe that, instead of temporary jobs, companies have responsibility to support programs that will create long term, sustainable improvements in their lives. They expect training and opportunities to move from unskilled to skilled labor, and expect programs that will bring economic development for the entire community; beyond jobs for just a few.

Respondents in Sudan felt there was no significant evidence of companies contributing to a development strategy for the region, but instead a focus on ad hoc projects, such as small donations of hospital stuffs, small clinics and a few school water yards installed without consulting local governments or regional development plans. One local administrator viewed these inputs as generous gifts, but never a result of genuine planning that has been achieved by all parties.

People consider the companies to practice a very limited view of community investment, and believe that companies should ensure long term social development to the entire region as part of the company's social responsibility. Instead of taking a limited geographical view of "inside the fence" of operations, communities want companies to recognize that operations have an impact on neighboring villages and throughout the municipalities.

“One thing that bothers companies is being compelled to respond to people with whom they have no labor-related relationship. If the companies think about what is the least I can do for my workers, my people, then there is a no way of seeing people as a whole” – NGO leader, Meta, Colombia

Social Cohesion

Community members spoke of a range of social impacts due to the presence of corporate operations. Influx of outsiders and fragmentation of social cohesion in the community were the main issues highlighted across all contexts.

Influx of outsiders causes population increases when people are attracted to the area in search of jobs at local factories and mines. Locals are concerned about community-level security and changes in the social fabric that they see due to population influx. Outsiders that move into the region, often single men in search of jobs, are considered “unstable” and “just [there] for the money...have no sense of belonging”, which causes a considerable rise in social ills, like consumption of liquor, prostitution, and sexually transmitted infections.

“The people from these caserios (towns near the camps of the company) know that if they open a bar there is going to be lots of money, but that is not good and brings degradation to the area” - Regional religious leader, Colombia

Large in-migration is also seen as one of the main drivers of inter-community tension, due to competition over natural resources (pasture, water, wood, farm land) and strain on local infrastructure and local government capacity. The new population is perceived as adding pressure to already limited public services, health systems, and police and security capacity. Communities hold companies primarily

responsible for influx issues, and believe that the company must put proper measures in place to safeguard the local communities' wellbeing.

"[There] is a pretty big overcrowding in some municipalities. Even the population has doubled every 10 to 15 years" - Local leader, Meta, Colombia

Community members feel that local competition over job benefits also causes or increases existing tension within the community. They feel slighted when outsiders get jobs that locals feel should be reserved for the directly-impacted community. They feel that when some local community members receive jobs over other, equally deserving, members it creates a divide in an otherwise socially integrated community. A Filipino community leader expressed his apprehension about social impacts of mining on a relatively homogenous farming community when he said:

"I hope the minerals will not grow on my land too, so that the miners will not disturb us." - Subanon Leader. – Zamboanga del Sur, Mindanao

Some communities have attempted to overcome tensions created by job distribution issues by organizing community-based councils or hiring committees that develop and manage the lists of eligible people to work for the company. However, these processes, which are aimed at reducing tension, often produce new ones when not managed transparently and with broad community inclusion. This type of conflict can extend beyond the community into the region when directly-impacted communities who feel they deserve all unskilled employment, have to negotiate job distribution with nearby communities that also demand participation in labor opportunities. Expectations of jobs require the company and the community-based hiring committees to take a more active role in workforce negotiations, to avoid escalating conflict. These divisions in the community are often seen to increase as those receiving jobs continue to support the company's presence, while others lobby for the company's removal due to social fragmentation and other perceived negative impacts.

"Because the company is not fair in accepting all of those who wanted to work, we decided it was better for the company to close and leave. It is not good that some can avail of work, while others cannot. We decided not to allow their trucks to get inside our area. That was what we had agreed and planned to do. But the Mayor came and intervened. Some of us did not want to give in, but we did in the end because our community became divided." - Woman entrepreneur, Zamboanga del Norte, Mindanao

Fair Labor

While thankful to have job opportunities from companies operating in their regions, people felt that the jobs provided are never plenty enough or as long as expected. Most communities spoke of disconnect between the promise of jobs and economic opportunity by the company and government at initiation of a project versus the eventual reality that not every community member could avail themselves of work. Instead, they felt the company had given people a false hope by ensuring them employment, despite knowing it would not accommodate all.

"Lately, they have decreased the number of men they hire as workers and watchman. We were quite angry because we were counting on said job. They promised that the workers we can provide would not even be enough for their need. But now they could only hire a few. - Woman entrepreneur, Zamboanga del Norte, Mindanao

Because directly affected communities expect prioritization for jobs, when it does not happen to the extent that communities expect, it creates a struggle between the company and the community. People

do not consider job recruitment processes to be transparent and fair, and feel that people from outside of the local area get jobs that locals deserved. Security guards that came from outside of the area were particularly mentioned as unpopular.

“The company should hire people from these villages because we are nearby the factory.” - Villager, Bagrami, Kabul

A consistent complaint was that local residents only got the menial, unskilled and lowly paying jobs, while the company response is that they are not taken into account because they are not skilled workers. Many communities feel slighted that the company does nothing to train them for skilled labor positions.

“The promise that they will train the people here to develop some skills so that they can work in the company was not fulfilled.” – Community member, Mindanao

Workers Rights/Child Labor

Although most community members know that there are labor rights by which a company has to adhere, there was varying levels of knowledge of the extent of responsibility employers have for their employees. A commonly expressed understanding of rights regarding working conditions was that people should not to be forced into doing physical work they were not able to undertake. People also spoke of inadequate housing and infrastructure provided for employees and inadequate compensation, particularly in agri-business industry such as palm oil. In some communities, child labor rights were either not known or not wished for, as many families in poverty have little choice but to send their children to work, and consider immediate income far more necessary than the longer term employment prospects a child would receive through education.

In Afghanistan, people who had experienced injuries did not expect, nor knew that they should expect, medical support and compensation. A fourteen year old Afghani boy spoke of how he had broken his arm when he had slipped on an oily floor in the plastics factory where he had worked. The boy was grateful that the company had taken him to the doctor for treatment and expressed no view that he considered the company to be liable for his injury. He had not received any pay since the injury and he did not know whether he had a job to return to once his arm had healed.

“Contractulization”

In several countries, community members spoke about company hiring practices of obtaining "cheap labor without much difficulty" to be within the legal bounds of operation, but considered to be unethical treatment of employees. In Mindanao, Colombia, and Sudan people spoke of the practice of companies using an agency, middle men, or labor cooperatives to hire "contracted" workers for short periods of time less than the probationary period, in order to avoid paying social security or employment benefits.

“I am one of those who had been working with CNPOC. I can tell you they play with our minds they employ us to work only 5 months then without notice they stop your contract. Then you do not know where to go or even why they keep terminating our contract. I am still driving for them but my brother who is a Forman with rig 119 has been stopped. He is very upset”. - Dinka driver, South Sudan

The lack of communication regarding employment expectations is considered especially concerning because of many farmers tend to leave their farms fallow and cease agricultural activities once they have secured what they believe to be permanent, higher-paying employment. When they are laid off, they complain of not having been informed of what to expect, and that they have no short term income while it takes months to rebuild their farm. The implication of having to return to an unproductive farm

after losing their job sets them back farther than the time they had employment, and a result, other people in the community are also affected.

“Contract workers have bankrupted my small store, they incurred credit which piled up and are unable to pay due to delayed salaries. The little capital that I received from the government as a senior citizen is listed as accounts collectibles.” - Community grandmother of the community, Bukidnon, Mindanao

Having a Voice

Company-Community Engagement

Across locations, community members cite a lack of engagement as one of their principle concerns, both for bi-directional information sharing and as a means to demonstrate respect. To the community, this lack of contact has meant that they do not have access to the company, nor the opportunity to have their voice heard, whether it be for neighborly relationship building or for access to effective remedy. Community members also note the importance of the company to take on engagement as a means to understand local stakeholder perspectives.

“We don’t know them, who they are and for what they are here.” - Villager, Logar, Afghanistan

In Mindanao, a lack of engagement is a sign that the company is not being straightforward with local officials in laying out its development plans.

“I just want the company to give me their development plan. Until now they cannot give it to me. I am fed up with the company. I sent them letters via email already. I don’t want to personally talk to them anymore.” - Community Captain, Lanao del Norte, Mindanao

Many community members stated that disingenuous engagement on the part of the company is one leads to unfulfilled expectations. During initial company contact they feel their expectations are raised about provision of services including roads, water supply for drinking and irrigation, health facilities and schools, but are never fulfilled. In addition, many people raised the issue of land, saying that the community had given land to the company for which they believed they were going to be compensated, but they had not yet received anything. Communities feel that company’s talk about social responsibility is often hollow promises and they express grievances in material terms of promises not being delivered.

Ghost companies in Colombia

Communities in Meta often see that the main representatives of businesses are managing company affairs from afar and operations sites are in the hands of supervisors who do not have enough power to serve as interlocutors with the community or municipal authorities. Specifically, oil palm companies in the region are perceived as "ghosts".

“They (local authorities) called companies to make a plan for a clear policy in the generation of employment and conditions of the groups. This call was not answered because in the plantations you can only find one plant manager who has no decision making power; it is almost an overseer. He is there to regulate the issue of production, but not decisions committing the company”. - NGO worker, Meta, Colombia

A civil society leader typified the relationship between the company and community as unequal. In dialogue with companies, the community feels that they are being attended from “behind the counter...you are here, I am there...Companies think that if they sit with the community it is a way to be exposed to several grievances”

Access to Company

Communities see little opportunity to register complaints or have access to the company. None of the respondents were aware of formal grievance mechanisms or any system to complain about negative issues arising from the presence and operations of private companies in their area. Many community members said that when there are complaints or issues that need to be addressed they would like to have access to companies to discuss and resolve them. However, they do not take the initiative to approach the company, often because they fear that their advances will be rejected. There is generally a collective lack of confidence that the companies would receive local villagers.

“I have an ID card but the security posts do not allow us in. The posts are ordered not to let anyone inside, so whom shall we tell our problems?” Villager, Logar, Afghanistan

People believe that because they are poor and uneducated – the ‘ordinary farmers’ mentioned by one Afghan – they will not be allowed access nor will they be listened to or taken seriously by company employees. There is a sense of disempowerment due to continual exclusion, and as a point of pride, people choose not to approach the companies, rather than try and be denied or belittled.

“The reason that we have not contacted or talked to them is that we think they will not listen to us and will ask us, ‘Who are you?’ We are not the Government and therefore cannot hold them responsible.” -Shopkeeper, Herat, Afghanistan

Government Engagement

There was also a comparable lack of communication and engagement between the communities and government. Communities expect to be engaged directly by local government in relation to the activities of companies. They also expect it is the government’s responsibility to represent their views in discussions and agreements with companies, and that the government should intervene on their behalf to address any issues that are affecting the community. However, they have little confidence in the government’s willingness or ability to do this, as they doubt that the government will represent the people’s interests above its own. In some areas, the community has reached out to other institutions, such as NGOs and the church (although mosques were never mentioned), as a way to gain support for their concerns. Often, the presence of these institutions is felt more than the government and on the contrary, government is perceived as being in collusion with private enterprise at the expense of the community.

Some communities also feel alienated by certain government regulations. In Sudan, communities say that government policy has prohibited the company to engage with communities. The only opportunity for community representatives to meet with the company is with high level personnel from the North. To locals, this means that it is impossible to build any type of “link” or relationship with the company. Likewise, the large military presence and tight security system make it almost impossible for ordinary people to have access to the companies.

Prior Informed Consultation

With the exception of two projects, no one spoke of the company consulting the community prior to the start of operations nor did they reference expectations of Free Prior Informed Consultation (FPIC). The perception is that business activities are decided between the government and company, and the surrounding communities can only look on as excluded observers. They are rarely given the opportunity to express their views, influence the proceeding, or ensure that their rights and needs are being accounted for.

The few opportunities that were given for consultation were viewed as disingenuous and un-transparent. In Canatuan, Mindanao, the community believes the Department of Nature rigged the consultation process in order to ensure permit granting for new company operations, by organizing outside communities of Subanons to consent to the environmental compliance certificate.

“The company organized the Subanon from Siocon and employed them in exchange for signifying their consent to the company despite the fact that they are not the original Subanons in Canatuan. We, the Subanons of Canatuan, were set aside and disregarded as the true members of the community.” -Secretary to the Subanon Council, Zamboanga del Norte, Mindanao

In Aynak, Afghanistan, during a prolonged bidding and lease process for a copper mine, the provincial and district government had a lot of contact with the surrounding community. However, this still appeared to have happened informally during surveys and site visits, rather than through organized and structured community meetings. During this time, commitments were made that the communities believed would be fulfilled by the company awarded the lease for the mine. However, each person interviewed had a slightly different perception about what exactly would be provided. This lack of consistency demonstrated that the communities did not definitively know what the company had committed to provide, which is reflective of limited participation in the process and an inadequate level of information communicated to them.

How to engage

Across communities there was a common expectation on what engagement should look like. There is an expectation that companies should approach communities when they first come to an area, as a proper show of respect to the people, and engage them to resolve issues. When this does not happen communities feel excluded from something that is happening on their very doorstep. Respondents stated that they would appreciate the opportunity to have their opinions taken into account when external decisions are taken that will affect their community.

In Mindanao, one of the most important considerations for the entry of a company to be “legal in the community’s eyes” was if the community had been consulted properly. Proper consultation means the community is informed of the identity of the company, the intention and plans of the company, the responsibility of the company towards those who will be affected by the business operation, and the measures to guarantee the promises of the company.

“The company that should enter our area should do so legally. They should not assume that what they have agreed with the local government unit (LGU) is already final. LGUs often give assurance to investors even if the permits are not yet worked out to the final stage. The company should really consult the people. There should be formal communications.” - IP leader, Zamboanga del Norte, Mindanao

Land Rights

Right to land and self-determination were a major issue and pervasive through most all other discussions regarding local community members’ rights. In areas marked by informal or traditional land tenure, right to land is one of the principle drivers of inter-community and community-company-state conflict. In these areas, community members still consider themselves to be owners of the land and have the right to decide on land issues. They often feel that the state-approved presence of private enterprise is tantamount to taking their land without consultation, which they consider a violation of their rights.

Many people complain that they had lost their land, particularly to mining operations, and that they had yet to be compensated. Those who have been displaced or directly impacted by company operations expect options to compensate for their loss of land and livelihoods. In Afghanistan one interviewee referred to the company as “grabbing people’s land”. The land provided to the company was part of the negotiation and agreement between the company and the government. Because community members who had given up their land had not been party to the contract signed with the company and had not yet received the compensation they were expecting, they spoke in terms of being forced off their land. In this instance, the connection to the land is not spiritual or ancestral; rather it is practical, in so far as the land is the source of their families’ income and livelihood.

Community members also spoke of resentment regarding the state’s prioritization of private enterprise operations over the needs of the local farmers and community. In Colombia some community leaders complained that “from the institutional regards there is a tendency to put in first place those big investment projects, like the palm, and they neglect the theme of small producers”. In Sudan, local community members perceive the political dispute of the CPA parties as running parallel to community-level dispute over land. While the political parties struggle for oil and other natural resources that might be discovered in the future, the local communities, despite admitting to joint interests at certain times, feel ready to go to battle over territorial issues if need be.

Land Speculation

Several community members in Colombia spoke of issues around land speculation and rent increases in relation to company presence. A civil society leader mentioned that social impacts come as early as the exploration phase, “the first thing that happens is that only a few know (of potential oil finds), then the mayors or council members are ones who begin to purchase land (near or where the oil project will be carried out), generating a very large expectation.”

“Everything is more expensive because single people come, raise the prices of all properties in the city and the people [of the community] get the damages...The food prices go up because these companies can pay anything” – Acacias public official, Colombia

He further notes that many times these high expectations of finding oil in the area are not reached and then the company simply leaves, without understanding that its operation has caused disruptions in the area. It creates what one interviewee called “every man for himself”, a situation referred to the locals trying to make the most of the situation.

Hand in hand with land speculation is the occurrence of land clearing, particularly present in Colombia. One leader of a rural community spoke of the alleged relationship between the delay in the arrival of humanitarian aid to coca farmers and internal property movement and sale. Communities located in areas closely linked to illicit crops are targeted to receive humanitarian aid as a means to reduce the production of coca. However, people perceive that slow disbursement of aid is done intentionally as a means to drive people off their land, so that palm producers can acquire the land. This coupled with the high-risk designation of the area makes it impossible for people to secure loans for productive projects and thus it is easy to convince people to move away.

“...In a workshop we did an exercise on how much humanitarian aid is delayed in coming since the time of cocaine eradication, and the conclusion is that takes between 6 to 8 months ...We have no argument to support if there is something strange happening, and [perhaps it] is a coincidence between the form of displacement and the presence of projects like palm itself...but there may be a kind of complicity between the delay to get humanitarian aid. That action becomes a conspiracy to make people move” – Community leader, Colombia

Ancestral Domain and Indigenous People's rights over land

Many indigenous communities believe it is an infringement on their rights to have the government decide and dictate which business operations can take place on their ancestral lands. This is particularly the case in areas that have been designated semi-autonomous regions. In South Sudan they view the land as sacred and that it must be kept only for grazing, timber and the holy spirits of the ancestors. Coupled with long standing conflict issues, many people have mobilized their youth and fighters to drive out international companies, even if it might lead to confrontations with government troops.

"Can you accept to live here? Do you think we like this life? No, but we cannot give up the land. These marks on my head tell you I am the guardian; I am ready to die for this land." –SPLA soldier, S Sudan

In Mindanao, indigenous communities are fighting for the Certificate of Ancestral Domain Title (CADT), as a means to ensure protection and negotiation power. In the case of the Philippines, the 1995 national Mining Program Sharing Agreement (MPSA) law which allows for eminent domain by the state to develop mineral resources is considered in direct contradiction of the 1997 Indigenous People's Right Act, which provides for recognition, protection, and promotion of rights of indigenous cultural communities.

"It is not that we oppose mining for the sake of opposing. We just want our CADT to be approved and made clear first before anything else. We need to know that we have control over our lands." - Community Captain, Zamboanga del Norte, Mindanao

Though the community recognizes that the issue lies with the government, anger and frustration regarding the situation is directed at the company. One particular company claimed that their possession of an MPSA awarded by the government justified their position. The Subanon community struggled to prevent the entry of the company which led to a violent confrontation.

"In our opposition for the destruction of our ancestral land, we used our bodies to barricade the big equipments of the company like their drilling machine. Their bulldozers attempted to overrun us." – IP Official), Zamboanga del Norte, Mindanao

Indigenous communities express that company presence on and around traditional lands and sacred areas, such as burial grounds, compromise their rights and is equivalent to denying their cultural heritage area. "It is as if they deny our existence". Particularly for rural and indigenous peoples, engaging with communities purely from a perspective of material trade-offs does not suffice. Communities expect that the company will engage with them in a manner that demonstrates regard for their dignity and recognizes that their sense of security is grounded on their land.

Security

Community members recognize the presence of private enterprise as impacting the security situation in their areas, particularly in areas of long standing conflict. Local people see an escalation in tension, which increases as natural resources become scarcer and competition for benefits and legitimacy accelerates progression towards conflict. While many of the contributing factors for increased tensions in company-community relations are discussed in other sections of this report, this section will address issues of increased militarization, freedom of movement, and increased presence of conflict actors due to the corporate presence. In the communities interviewed, there was no discussion of corporate presence being viewed as offering protection or increased security.

Militarization

Some areas have a heavy state military presence to secure international investing companies and their activities. With the discovery of natural resources, communities observe that governments, such as Sudan, send (more) military troops into the area to presumably guard the resource, rather than sending social support for infrastructure or community needs. Civilian responsibility diminishes and turns the entire area into a military state, thus effectively reducing any functioning governance system. Random killing and looting of belongings are examples of incidents that have occurred all over the Sudanese oil zone, due to a lack of police and a deterioration of social order.

In Sudan, the government is perceived to treat communities around the oil zone as if they are a risk in relation to expansion of the oil exploration and extraction process. The large military presence and the tight security system make it almost impossible for community members to have access to companies. Oil companies are viewed as closed garrisons surrounded by a large military presence which is assigned by the government in Khartoum to protect them from any local interference or military attack from the Southern Sudan army. Thus, people believe there is justification in constructing road blocks, firing at travelling company vehicles, and killing and abduction of company staff as a way to show discontent.

“The people can manage their life; we do not need these oil companies here. They are the reason for our disaster, why there was war...Look at this place everybody has a gun and we are always afraid of the unknown”. - Chief of Mentang sub tribe, S Sudan

In Mindanao, due to non-violent community protests actively opposing the entry of a company, the Armed Forces of the Philippines set up encampments in strategic sites within the community. The potential for increased conflict became more complex when picketers were offered help by the rebel forces of the National People’s Army (NPA). Despite the community turning away the NPA, it did not stop the military and government from labeling those who opposed the company as rebels.

“There was a time when the army headquarters was put up near our houses. I really talked to them to stay away from us. We do not want to be caught in a cross fire if ever they will have encounters with other groups. They should have asked our permission first. They cannot put up any encampment near us without our consent.” - Indigenous farmer, Zamboanga del Norte, Mindanao

Freedom of movement

Many complained about restricted movement due to increased security around extractive operations. In Afghanistan, farmers complained that, although there was not enough water during the day to irrigate fields, police did not allow them to move around at night to irrigate. In Mindanao, one of the growing concerns is that the increasing number of checkpoints makes locals feel they are suspects or unfavorable elements, affecting their sense of dignity.

This limited freedom of movement is also viewed as a tactic to make people’s lives more difficult, and indirectly pressure people off of their land. Community members feel companies are deliberately making living conditions so unfavorable, especially through difficult road access, in order to force people to leave.

“The company has so many check points. They make us pour all our produce on the road for them to meticulously check. We feel harassed. Sometimes we were forced to take another route to town in order to avoid them.” IP Tribe Secretary, Zamboanga del Norte, Mindanao

Corporate Presence and Illegal Armed Groups

Corporate presence often increases the presence of illegal and armed groups who are attracted by increase in money, resources, and legitimacy that a company carries. In addition, the proliferation of

non-state conflict actors often causes an escalation of tensions due to “house cleaning” techniques that government and state military might use to secure an area for international investment.

In Afghanistan, the security situation in Logar has deteriorated, primarily as a result of its close proximity to provinces with a strong Taliban presence. There is increasing concern that the introduction of the Aynak copper mine will attract more insurgent activity and decrease security in the area. In the case of the Subanon community in Mindanao, the corporate presence has attracted armed rebel groups, and the community fears that they may get caught in crossfire with the army. While conflict between rebel groups and the government continues, community members fear that their resistance against a corporate presence in the area may get them labeled or accused of also being rebels.

Many of those interviewed in Meta believed that companies operating in the area had contact with the local armed groups (AUC or FARC), because for a period of time those armed groups controlled most of the department territory. Many respondents questioned the kind of support members of the business community provided to these groups, and if such support was provided under threat, or deliberately and voluntarily. There was an assumption that in order for companies to operate in the area, they had to play by the game, “that’s how business is done”. However, locals also recognized corporate presence, and susceptibility to extortion, as perpetuating a system of extortion, furthering a war economy.

“I do not think the palm producers have been creators of paramilitary groups in the Meta. I believe that like everyone, they were victims⁴...I believe that those companies had to get into the play by force, and then others not because of the pressure” - civil society leader, Colombia

Often, the arrival of companies is perceived to replace one social ill with another. In Meta, the expulsion of local FARC in order to make space for company operations effectively created a vacuum for the paramilitaries to move in. Regarding the support of businessmen to paramilitary groups, a former official said, “for businessmen, the arrival of paramilitary into Meta was a way to remove the guerrillas, without [realizing] the terrible things that were to come”.

On the other hand, in relation to paramilitary presence in the region, this former official notes “I must admit that there was a marriage more or less well-matched, the paramilitaries with the Armed Forces. It was even confusing, at times, whether the legal (Armed Forces) or illegal (paramilitaries) armed forces had arrived.” Therefore, he noted, “the line between businessman and paramilitary funder was difficult at times...because it was not clear the difference between legal and illegal armed groups.”

With regards to palm cultivation, the arrival of these “new cultivators” is marked by a comment that was repeated by many of the interviewees, “we had guerrillas here until the palm arrived”. This means that, according to those interviewed, there is a direct relationship between the withdrawal of the FARC, the result of paramilitary advance in the area and the establishment of palm plantations in the region. A former adviser to the government explains, “along with the armed groups came not only arms and terror, but also resources from the agents themselves. They were supported by other individuals that came to acquire land and favored eviction, displacement, and expropriation”.

⁴ A civil society leader quotes the case of palm workers mass kidnapping by the paramilitary group “Los Buitrago”, led by their commander Martin Llanos. “(Martin Llanos) was pressuring the company to pay and one day took all workers on the buses and took them to the center of the plain”.

Legitimate Governance

Just as there was variance in expectations about company responsibilities towards communities, there was also a range of expectations regarding the intersection of government and company responsibility toward the community. Although there was some confusion about who was responsible for the provision of services to their area, the majority of respondents had little to no expectation of the government fulfilling its duties and thus expected to get as much as possible from the company operating in their vicinity.

Company responsibility

Many of the interviewees expected the company should support the local community through the provision of services, ones which are usually outside of the remit of the companies themselves. Some community members, particularly better educated ones, understood that this was not the responsibility of companies. However, since government was not providing these services, it was expected that the companies should do so as a sign of good will. Other community members appeared to think that it was fully the responsibility of the companies to provide such services to poor and underserved communities. Others were not clear whether it was the responsibility of the company or the government to provide the infrastructure and services that the community needs.

What is clear is that, although people are disappointed with both companies and governments for not following through on promises to provide much needed services, companies often become the primary target for anger and frustration. A lack of information or engagement from the company increases their level of frustration and as a result, community members lose faith in the company.

In several countries, community members expressed their wish for companies to use their power and leverage to lobby the government on behalf of the community. A Colombian community leader spoke of the role of the company as a key player in pressing the state to respond to problems in the community. The expectation that it is the company's responsibility to lobby the government on the community's behalf is based on the perception that the company should not only support the community's development but should also ensure that the government is helping to mitigate negative impacts of the company's operations.

"I look to them (Ecopetrol) because of the pressure they have in the government ...they are those of weight... "They (Ecopetrol) should speak because they are the ones doing the damage." – Community leader, Pompeya, Colombia

In the case of Sudan, community members expressed that they want the company to pay compensation directly to the community, without government intervention, due to long standing distrust and conflict with the Northern government. The community sees the Northern government primarily concerned with maintaining stability and security of the area, so that companies are able to produce, rather than prioritizing the need to provide sustainable development to the local community. While the community observes the government encouraging companies to expand their activities as fast and far as they can, there is no parallel community development to be seen as a positive result from company operations. This is a sentiment often heard from communities across countries and regions.

Government responsibility

While there were differing opinions regarding the company's responsibility towards the community, most communities recognize that it is, first and foremost, the state's responsibility to provide social services, such as healthcare, education, infrastructure, etc. Communities also think it is the government's responsibility to represent their views in discussions and agreements with companies. They believe the government should intervene on their behalf to address any issues that are affecting

the community. However, they lack confidence in the government's willingness or ability to represent the people's interests above its own. There was a common belief across countries that governments were not following up on commitments to the community, as they either did not care or had reached their own material agreements with the company.

"We have not contacted them and they have also sat calm and have done nothing." - Villager, Logar, Afghanistan

In addition to the provision of services, there is an expectation that the government should be responsive to community needs. Communities often reach out to their local government authorities to help them address issues they have with companies. They sometimes find that the local authorities are unresponsive or instead support company decisions. And in many cases, across countries, the community finds that local authorities are powerless to affect change within a hierarchical system that places national private sector development decisions at the fore, and leaves little room for local governance.

"As a matter of fact, yes, there are many who have been affected when many villages were removed to allow building of new roads in addition to a small airstrip. The company needs to inform us, not those in Khartoum. We are also working to help them but my first duty is to keep order and serve local community...When they come to me I am embarrassed. I just apologize because I have no power to help those who have been displaced." - Mugadama locality civil engineer, S. Sudan

Few people were concerned about the possibility of the company taking over the role, or effectively substituting for the government and decreasing the government's legitimacy in the community's eyes. In most of these situations, trust of the government and expectation that the government would deliver was fairly low. In areas of conflict, to some extent, local communities seem to prefer that service provision come from companies. A common sentiment in these communities is that the government has neglected their region for decades, so they perceive any new found government "support" in the region as driven by the government's own interests rather than a genuine interest in the well being of the community.

Corruption

Across communities, corruption is perceived to be so ingrained in regional practices that people come to expect it and view it as an insurmountable problem.

"Many people are afraid to talk about it, because this is a big problem" - Puerto Gaitán religious leader, Colombia

While some community members spoke specifically of corrupt practices of the company, others spoke about the potential collusion between the company and the government, to the detriment of the surrounding communities. Although no one spoke of the existence of corruption as an infringement on their "rights", they see the company presence affecting existing power structures. Some community members spoke about corrupt practices on the macro level reducing the financial benefits that the community and region receive. Others spoke of local corruption in reference to unequal benefits distribution within community, especially within community hiring committees and their nomination process. They also spoke about corruption in reference to the politicization of the corporate presence.

Community members did express an expectation on the company's part to help support and implement mechanisms to curb corruption. However, despite mismanagement of revenues, there were no clear suggestions from communities on what else to do. Some locals in Colombia suggested removing revenues all together, since they are just lost or stolen anyway. However, others disagreed:

"That idea of eliminating the oil revenues to remove corruption is like the idea of removing corruption through poverty". – Government advisor, Colombia

Politicization of Corporate Presence

The politicization of the corporate presence is seen as exacerbating existing political, social, and religious tensions. Corruption is so ingrained in regional practices, that when talking about local politicians, a former adviser to the Governor said, "Everyone, one way or another, is involved".

In Colombia, corruption in the use of oil revenues is the element that interviewees often indicated as "the main problem in the region". According to a rural community leader, corruption is "the reason why certain leaders or movements are trying to get power; not to benefit its people, but to get the possibility of controlling the oil revenues." The expectation that political candidates would be involved in corruption is so ingrained that locals commended officials who still performed their public service, "he stole, but he did something".

In Mindanao, local officials have felt pressured to submit to company wishes for fear of losing their government positions. One community leader withheld his signature to approve a business permit of a company for over two years, due to concerns about environmental issues. With an upcoming election, the leader and his family felt that the company was working against him, by supporting another candidate against the incumbent. There were suspicions that the company was bank rolling plans to bring outside voters in to the province, in order to bloat the electorate to vote for the opponent, who unlike him, was rumored to be more sympathetic to the interest of the company. In a region already fraught with political and ethnic conflict, perceived political interference by the company is considered to add to polarization of Muslim and Christians in the community, and even of Muslims against Muslims.

"My husband's refusal to sign the renewal of business permit by [the cement company] is costing him his political position. It seems the company is doing something to support another candidate to oust him in the coming election. We hear they are already bringing outsiders (flying voters) in." - Wife of Community Leader, Mindanao

CHAPTER IV – CONCLUSION

Across communities, people express an un-met expectation that companies should treat the surrounding communities with respect for them as human beings. Although the concept of human rights is not closely linked to corporate responsibility at the community level, communities clearly articulate expectations of their “rights” in reference to the company’s responsibility to mitigate negative impacts and provide for sustainable positive benefits. It is expected that, beyond operational consequences, companies will address the inadvertent impacts of their presence more explicitly. Increasingly, communities will expect companies demonstrate that their presence at the local level has a positive impact on (a) the human rights situation, and (b) on the developmental progress of the community with which it works.

Communities spoke of issues that range from complicity and human rights violations to expectations that the company demonstrate genuine respect for the community. Granted, in the framework of business and human rights, some community expectations are more applicable than others. The right to have a voice and access to the company, the right to fair labor practices, the right of freedom of movement, the right not to be forced off of land, and the right to maintain legally-stipulated ancestral lands are all issues that companies must heed. The responsibility to respect human rights dictates that corporate practices do not violate these provisions, and it would behoove companies to perform appropriate human rights impact assessments and risks assessments to ensure that they are not in direct, or indirect, violation of these stipulations.

At the same time, to achieve and maintain the social license to operate, companies will have to go above and beyond the human rights framework, for which there is international convergence. Across all four countries, as demonstrated by respondents with varying levels of understanding and recognition of international human rights frameworks, community definitions and expectations of their “rights” cover a broader scale than the international standards which underpin the Ruggie framework. Ultimately, for companies to gain access to land to operate and to maintain stable, conflict-free operations, reaching mutually agreed expectations with communities would be as important as ensuring compliance with international, home-country, and host-country law. Without this, communities may never feel that company presence is of benefit to them; and instead of proactively mitigating risks, companies may continually find themselves in a reactive, fire-fighting mode, addressing community unrest and discontent.

While there is no absolute solution to complex issues and unique situations, there is opportunity to understand expectations and perspectives of the local communities where a company operates. The foundation for achieving both constructive community relations and at the same time alignment with international frameworks, is maintaining positive relationships through proactive, on-going, broad and inclusive engagement with local rights-holders. Therefore, companies will increasingly find that communication, accountability, and transparency of process are operational principles that are as important as having sound internal policies. It will be through these principles that the company can understand how people articulate their rights, how they prioritize their rights and what their principal concerns are regarding business operating in their vicinity.

Further investigation, that could be conducted in the near future, might examine the complexities that characterize the interactions of the variety of actors that intervene in the local milieu: central government, regional government, business, NGOs, religious institutions and community. None of these actors can be seen as homogenous. The ways in which each of them represents others (or each other) provides key clues for a better understanding of the relationships, expectations, responsibilities, and ensuing potential tensions between them. In this report we have attempted to examine some of the issues around the intersection of company and state responsibilities, and community expectations

regarding the provision and respect of human rights. The intricacies of unique operating environments merit further analysis in order to examine and develop feasible strategies, mechanisms and tools for business to operate in areas marked by tensions and conflict, weak governance and corruption.

Implications for Corporate Action

Whether the state is present or not, communities expect the company to take responsibility for respecting their perceived rights and for ensuring that their rights *are being provided for*, if not the one *providing for their rights directly*. Communities expect companies to take an active role in ensuring that social problems are being addressed and resolved, whether that means the company is the direct service-provider or is facilitating the provision of services.

For example, the community knows that in settings of deeply ingrained corruption, it is not the duty of the company to change the country and the legal system. While they don't expect the company to change the system, they would like the company to help create a venue where they can meet to discuss these changes themselves. To a certain extent, communities expect that meeting their social needs and expectations will likely take a collaborative effort between the company, community, government, and local civil society.

It remains a challenge for corporations, standards-setting agencies, NGOs, and international regulatory bodies to translate community perspectives regarding their "rights" into actionable guidance for companies. However, communities expect that the first step companies can take towards this is to establish meaningful engagement with stakeholders who could bring issues to the attention of the company and making such engagement a part of the performance evaluation process. Understanding community expectations can also help to determine the principles by which companies enact their operating policies and practices. Following are suggested options for how companies can go about achieving rights-based operations, in line with both international human rights frameworks and community expectations and aspirations.

Options for Companies in Addressing Human Rights	
<i>Due Diligence Phase</i>	
Human Rights Impact Assessment	Assess and ensure there is no connection to, and therefore no legal liability stemming from, rights violations, even violations preceding the company's arrival.
Human Rights Risk Assessment	Conduct an "above ground review" that focuses on the social, political, security and economic impacts of the corporate presence.
Government Contracts	Agree with the Government that no human rights abuses take place in the company's area of operation and designate procedures by which the company can address allegations of human rights abuses with the highest authorities. Ensure security measures, revenue sharing agreement and provision of benefits to local communities are stipulated in contract, prior to investment.

Revenue	Make revenue transparency a clause in the Production Sharing Agreement.
<i>Operational Phase</i>	
Human Rights Policy	Company Human Rights Policy is explicit, publicized, and accessible.
Human Rights Training	Human Rights training is provided for all staff and contractors.
Security	Provision of human rights training for public or private forces that provide site security, and support International human rights training for the military in general.
Community Engagement	Local stakeholder engagement is broad, inclusive, early and proactive, on-going, predictable, and ensures that the corporate concepts of human rights correspond with those of local communities' perspectives and expectations.
Social Investment	Based on engagement and dialogue with local stakeholders, social investment is durable and sustainable, built on local capacities, rigorous and strategic, fair, and ensures that benefits are broad and inclusive.
Grievance Procedure/Mechanism	Complaint and grievance procedure agreed upon with local stakeholders, and is predictable, accessible, transparent, fair, legitimate and trusted.
Reporting	Transparently and proactively report on company's social performance, and human rights and sustainability record. Allow for open and independent audits of company's human rights policies and practices by international Human Rights groups.

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