

## CENTRE FOR INTERNATIONAL AND DEFENCE POLICY

CASE STUDY FOR RESEARCH

**SUBJECT:** Public/Private Partnerships as a Corporate Social Responsibility (CSR) Initiative

Corporate Social Responsibility (CSR) has become a major issue in many post-conflict or fragile states, with companies introducing a variety of different methods to diminish the chances of increasing or renewing conflict. One method is through public/private partnerships, creating areas of cooperation between different actors, mainly government and companies, and sharing the burden of responsibility for conflict control between the parties. One country where this method of public/private partnership has been implemented is the Democratic Republic of Congo (DRC) with varying degrees of success.

The DRC only recently emerged from a long and intense conflict, fuelled in large part by its mineral wealth, becoming one of the world's top producers of cobalt, copper, diamonds, tantalum, and tin. The country is estimated to have one of the largest deposits of untapped minerals valued at around \$24 trillion dollars. While large-scale conflict has ended, fighting still persists in various regions, including North and South Kivu. The country is also classified as one of the least developed countries in the world, fraught with issues of corruption, poverty, and inadequate infrastructure to name a few. Still, foreign-owned companies have continued to invest in the DRC's mining industry, often in conjunction with investments made by state-owned mining firms, and have positive outlooks on the development of the region. <sup>1</sup>

In the case of the DRC, public/private partnerships highlighted a variety of specific mitigation tactics that can be implemented in other locations, benefitting both parties as well as the community. Below are key observations that made the public/private partnerships successful.

First, considering the remote nature of mining operations in Africa, continual awareness and sensitivity to risk and potential conflict in these regions was important to create a stable relationship between the various actors. Knowledge of the area and issues allowed public and private interests to develop resources to mitigate conflict, with collaboration between groups leading to more successful developments.

Second, direct collaboration and implementation between parties was found to be successful in advancing practices and refining policies on conflict and risk management. Where direct collaboration and implementation were difficult, public/private partnerships that leveraged

<sup>&</sup>lt;sup>1</sup> Rachel Perks. "How can public-private partnerships contribute to security and human rights policy and practice in the extractive industries? A case study of The Democratic Republic of Congo." *Resources Policy* 37 (2012): 251-260. <a href="http://www.sciencedirect.com/science/article/pii/S0301420711000043">http://www.sciencedirect.com/science/article/pii/S0301420711000043</a>. Heidi Vella. "Mining the DRC – Doing business in the world's second least developed country." *Mining Technology* (October 2<sup>nd</sup>, 2014): <a href="http://www.mining-technology.com/features/featuremining-the-drc-doing-business-in-the-worlds-second-least-developed-country-4380854/">http://www.mining-technology.com/features/featuremining-the-drc-doing-business-in-the-worlds-second-least-developed-country-4380854/</a>

resources between concerned actors proved successful in not only improving the effectiveness of collaboration, but also increased the ability to open discourses and engage in activities.

Third, public/private partnerships gave different party's access to different 'spheres of influence' of which they would have been unable to gain access too previously. This development allowed actors that were usually barred, either intentionally or unintentionally, to participate in the improvement of the mining industry and increase the success of the process.

Fourth, conflict prevention can be a positive factor in a public/private partnership for addressing mutual concerns. Collective research and analysis between public and private groups can develop successful models in which to influence policy and implement prevention tactics, and can increase the ability of actors to have their interests realized.<sup>2</sup>

Finally, although post-conflict and weak state regions are often categorized as having ineffective government structures, this does not mean that local and national governments do not have an important role to play. Public/private partnerships in the DRC often benefitted from increased government interaction, especially at the local level, which helped build support for the programs as well as increased government capacities in the region. This is especially true for creating institutions that can diminish the chances of conflict in the future, such as legal systems and industry regulations.

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<sup>&</sup>lt;sup>2</sup> Ibid., 259.