



“Helping to Shape the Global Agenda”



**International Business Students Global
Conflict Minerals Trade Theory and Resource Allocation (CoMTTRA)**

IBSG/DeBeers: An Annual Conversation

Reader's guide/2016 Program

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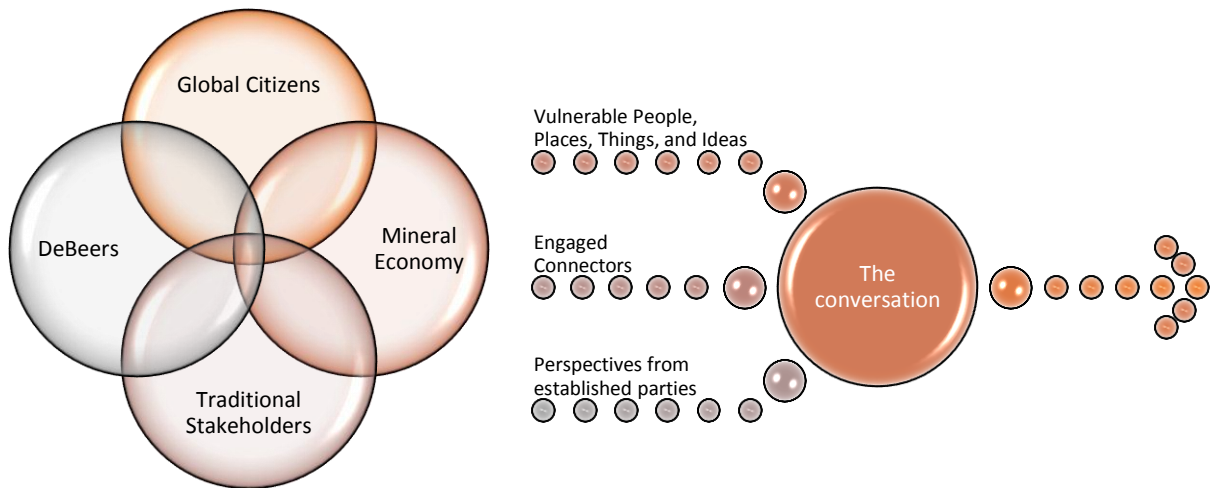
Introduction

DeBeers Report to Society: A Reader’s Guide

There are many ways to read a report to society or a corporate social responsibility report. For example, while one reading may focus on the regulatory issues involved in mineral extraction, another may focus entirely on identifying colonial processes. The following guide provides an overview of some of the lenses whereby a focused reading may take place. These serve as basic methodological touchpoints to facilitate conversations between stakeholders.

Our primary objective

DeBeers has asked us to read the report to society with specific attention toward capturing a wider audience. How does the report reach a wider audience in a meaningful way? This means that we must look at their report to society as part of a larger conversation, some of which does not yet have a shared vocabulary. Part of our job is to make those connections between the vocabulary that is shared by all and the parts that aren’t yet fleshed out. Remember, part of why we’re doing this is because there are deep fractures between our consumer habits and the vulnerability of people, places, things, and ideas caught in the chain that makes our consumption possible.



The Report

DeBeers has provided the following summary of their report:

“The *2015 Report to Society* (available [here](#)) details how our on-going efforts to embed sustainability across our business activities, and our work in partnership with governments and civil society, contribute to sustainable development.

This year the Report is accompanied by a shorter Review, which is available [here](#). This summarises our tenth annual sustainability Report, and details our on-going efforts to deliver shared value over the long term.”

For access to their larger archive of reports, it is available in their [library](#).



Reading Frameworks

Certainly, some conversations thrive without an agenda. Some of the best ideas in the world emerge out of spontaneity. However, even the most innovative ideas had a beginning. Good conversations often begin with good structure. This means that we should take advantage of the intellectual traditions that shape our shared body of human knowledge. Here are a few frameworks that you may choose as a way of reading the report to society.

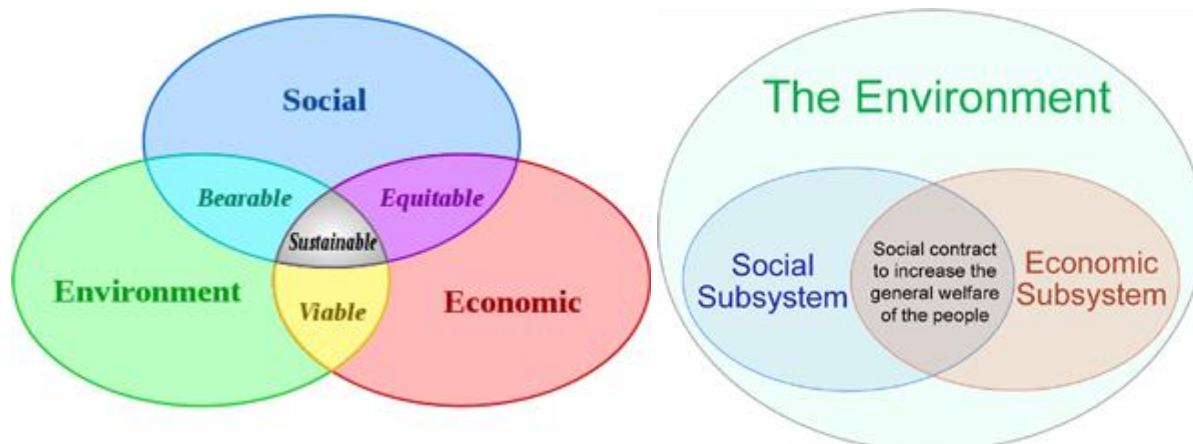
Legal

While focusing on legal issues may seem self-evident, there are some specific things to look for when performing a legal reading. For example, one may focus exclusively on reading for the **presence or absence of basic regulatory practices**. Has the company or organization mentioned the essential legal policies in their respective jurisdiction? What policies, if any, are conspicuously absent? Has the company or organization subscribed to new policies or, have they engaged in the proactive development of new standards and practices?

By identifying the various **legal systems at work (Common, Civil and Theocratic)**, one may determine whether a company or organization has a sophisticated sense of the **transnational or cross jurisdictional dimensions** of its current practices? By identifying the various legal systems at work (Common, Civil and Theocratic), one may also determine what groups of people are being considered within the report and who is being spoken to more explicitly than others.

Conservation/Ecological/Sustainability

Aldo Leopold once wrote that the basic duty of any engaged citizen is to know **what we take from this world in relation to what we leave behind**. A conservation approach to reading breaks down whether a given organization has a conservation mindset. Therefore, one must analyze if an organization uses reporting language that implicitly or explicitly delineates awareness of the ecological system that the organizational processes affect. For further depth, one may employ the pillars of reading from a sustainability perspective which addresses the **relations between social, environmental and economic issues**.





Reading for a conservation perspective allows one to identify the presence of biodiversity and may also **identify other living organisms** as an important set of voices in the processes and work being reported. It’s important to remember that space matters. **What sort of space (social, environmental, or otherwise)** is being conceived of when reporting one’s impact on the world?

Business/Economics

In addition to the more conventional metrics of economic growth and impact, one may perform a reading of two fundamental strategic and management oriented problems.

Value Chain Equity – A value chain constitutes the series of inputs that add value to a product as it reaches its form sold to the consumer. Value chain equity focuses on whether the value of those inputs is evenly distributed across its production. For example, rough cut diamonds are a very small portion of the value chain, which contributes to the systemic poverty of places that contribute rough cut diamonds. By contrast, the polishing and refinement of diamonds contains a disproportionately higher part of the overall value of a diamond ring.

→ **Value Chain Equity is a way to consider economic inequalities in relation to the resources being produced by a given company or organization.**

Another consideration is the **intergenerational aspect of value chain equity**. As technology changes, those who have produced using antiquated or increasingly irrelevant practices may find themselves excluded from the value chain. Consideration to their needs becomes an important thing to identify as companies evolve in relation to their technological evolution.

Supply Chain Transparency – a supply chain is the procedural analog to a value chain. Instead of focusing on value, identifying a **supply chain is about knowing the “story of the stuff that is being made.”** This has operational dimensions to it as well as marketing and more intangible resource analysis components. By knowing the sum total of inputs and how they relate to each other, one can report deficiencies in standards of quality and/or labor issues. For example, if a company outsources a part of its product, are there components of human exploitation that occur where the company does not directly manage the production of that part of the supply chain? How does a company hold itself accountable for those gaps in the story? Supply Chain transparency can serve as a form of reading that **identifies parts of production that remain elusive and invisible**, indicating a need to further explain the social impact of those gaps and how to address them.

Critical/Cultural Theory

Applying critical and cultural theory can take years to develop well. It requires in depth knowledge of theoretical frameworks derived from heavily studied cultural processes. For example, a reading of a book or a work of art requires an eye for certain elements that may go unnoticed to the untrained eye. That’s why feminism, critical race theory, post-colonialism, psychoanalytic and queer theory have developed within the humanities to train one to read in a specific way. One could **focus exclusively on the images and aesthetics** that a business practice produces and that alone may articulate a strong social impact. For example, a **decolonial reading** may identify that way that a company and its stakeholders are confronting previous power dynamics made possible by colonialism. A **Rhetorical**



reading may focus exclusively on the persuasive language within a given text. Depending on what kind of framework is chosen, a critical reading of a report to society can **draw out important narratives, traits, or elements that may not be readily apparent**. To quote Edward Said, **“critique is the art of extracting the hidden.”** Given the complex nature of human relations and the way that power and language can hide and marginalize entire populations, this kind of reading is a valuable evaluative tool.

An important subset (given who we are) is how New Mexico can serve as a value set that conducts a reading of a report to society, New Mexico is an interesting and diverse constellation of mixed ethnicities, sovereignties, and colonial/de-colonial histories. We are the only minority-majority governed state in the United States, and our economy is based both on ancestral land-based practices, such as our land grant and Native American communities, and high-level research and development (i.e. our national labs). What does a New Mexican reading look like? **“Nosotros” is an interesting word, because in translation, it incorporates the grammar of “Us” and “Other.”** This represents a lot of what creative economy deals with in New Mexico. When we use the word “we” we’re referring to complex and often very distant communities. Visiting this word can help us explore a rigorous reading of a report to society.

Management/Stakeholder/Ethics

Stakeholder theory is one of the most useful and relevant theory to a reading of a report to society. By definition, it is embedded in almost all other parts of a strong evaluation of impact reports. Who are the primary stakeholders mentioned in a report? Who is not mentioned? Who is systematically excluded from a given discussion and what are the circumstances that lead to that exclusion? These are all fundamental parts of stakeholder theory.

Some important issues related to management, ethics, and stakeholder analysis include:

Long term orientation – to what extent is an organization expressing long term values and goals in relation to more immediate, short-term objectives. Do immediate concerns obscure discussions about the long-term viability of a given practice? What are the intergenerational implications of a given practice? Are future generations considered as a meaningful stakeholder?

Spinoza once noted that **“ethics is involved in substance.”** This kind of materialism offers that what we see in ourselves is what we value in others, which implies an ethics grounded in the things we consume and more generally the way we configure human experiences. What do our consumption patterns say about our ethical frameworks? Do reports express a specific material relationship to its ethical values? Some important terms to use in an ethical reading – instead of focusing on the power dynamic of weak vs. powerful, does a report ask **how a system creates vulnerability** among people, places or things? Rather than just focusing on what we pay attention to, **is there motivated reasoning** to focus on the same issues? Is there “social washing” involved in a given report? **What values inhere in the norms and practices that are discussed** or identified and what are their implications to society?

The **Politics of Attention** becomes an important consideration also. Is a hierarchy of issues present in the language of a given report? If so, what does that say about the people that are given the most



attention? How does one create an ethical duty to report something that doesn't have an explicit urgency?

Resilience also becomes an important concept that can be employed in a reading of a text. **What are the forces that allow a community or practice to “bounce back” from external shocks.** Conflict, natural disasters, and emergencies all have a way of fleshing out the vulnerabilities of a given system. Identifying what “bounces back” is an important form of analysis. Furthermore, it allows **one to create proactive response strategies** based on the resilience of a given practice of system.

Structuralism

Structuralism can take on many forms, and is endemic to the disciplines of International/Foreign Relations, Political Science, Economic and many other of the social sciences. Essentially, this is a way to study the **relationship between institutions and resources**, which fundamentally defines the nature of a political economy. One of the first places to begin is by identifying a type of institution and evaluating its role within the larger system that is being reported. For example, identifying the role that nation-states play in mineral extraction helps one flesh out how a report notices the issues and problems related to nationalism or national regulations as a part of the challenges and opportunities a company faces. What is the role of a small business (SME) vs. a large scale multi-national enterprise (MNE)? How about religious institutions and other epistemic communities? By beginning with an institution, one can then read a report to society with an eye for the changing institutional landscape of a given process. Are non-state actors playing a more significant role in resource extraction than in the past? What is the reason for this? What does this say about the forces that create structure in the global political economy? These are large questions that, if given a focused reading, articulate a very important part of the social impact that any organization contains.

There is also a Politics of Attention dimension to this kind of analysis. What institutions are given more attention over others and what does this say about the power dynamics and resulting inequalities? Lastly, a **historical/precedent-based rendering** of a report has a very direct and practical value. Reading for what has been left out of previous reports can be one direct and straightforward way to evaluate a report. Furthermore, what elements of nostalgia make a report repeat issues that may not be as urgent as other, newer phenomena. What are we memorializing and what are we forgetting as we report to society?

Realist/Realpolitik/Pragmatic approaches often counterbalance ideas that are difficult to implement in the world. For example, sweat shops can be eliminated, but may only lead to other kinds of exploitation if not dealt with systematically. A nuclear non-proliferation strategy may also suggest permitting nuclear proliferation because the realities of eliminating all nuclear weapons may be more harmful than a pragmatic alternative. A realpolitik reading of a report to society may focus exclusively on the pragmatic alternatives being taken and evaluate whether they have accounted for the political realities of a given situation or whether the realities are used as a way to avoid making meaningful progress guided by higher ideals or values?



Important Questions

The CoMTTRA Team meets periodically to discuss some of the important issues at hand at the time that the report is published. Here are some important questions that the team has put together. These serve as starting points in thinking about the issue at large, and may serve as placeholders for our ongoing conversation with DeBeers. These questions will evolve along with our relationship with them and the community we seek to represent in this conversation.

Questions about stakeholders

- Is there a different audience that needs to be included?
- Is there an implied hierarchy of stakeholders?
- Who are the heaviest users of the report? NGOs? Other MNEs? IGOs? National Governments? Academics? Investors? Who are the institutions that are being reached?
- Are all stakeholders mentioned or considered, who is not?

Questions about the report

- DeBeers has contributed to the voluntary reporting standards. In the new report, has DeBeers aligned their reporting with standards such as those set forth by the Global Reporting Initiative generation 4?
- What is the internal mission statement of the company? Of the report? Are they aligned?
- What are the primary metrics and goals, also consequences of not meeting metrics goals?
- Topics in assurance and compliance report as accessible?
- What is the long-term orientation of the report? Does it articulate anticipated costs of long-term issues?
- How many proactive vs. reactive problems are being addressed?
 - Is the report addressing problems that most people don't understand? What are those issues?
 - Is the report reporting on issues based on their popularity or their urgency? What is the difference?

Questions about specific issues

- What is the average time frame of reclamation of extraction sites?
 - Are there economic remediation policies in place, and if so, what does that look like?
 - What are the actualities of redistribution (where does the money go?)
- Is there currently an infrastructural impact? What is the agenda regarding infrastructure? Metrics?
- From an ecological perspective, what if any attention has been paid to *pandanus candelabrum*?
- What issues currently shape licensing for mining?
- What is the perceived sense of displacement as a result of the work, what are the metrics for displacement?
- Does current activity attract or promulgate parallel economy? Are there specific types of parallel economy or specific groups identified that
- What are the perceived mechanisms for conflict/emergency response? For example is there a civil war or natural disaster, is there a response mechanism to those respective situations?
- What is the cultural vulnerability to evolving mining practices and tech change?



Questions about the company

- Now that DeBeers has transitioned from a private entity to a public entity (quasi), how are they responding to shareholders? (public vs. private responsibilities)
- How has DeBeers addressed or will address diversity of their senior management and board?

NM Perspective/relevance

We at IBSG believe that New Mexico offers a very unique and compelling contribution to issues of global importance. Our colonial history, combined with our multi-sovereign political landscape adds to the already complex relationship between our land-based cultural economy and our world-class hi-tech sector (including our national laboratories). New Mexico is globally relevant and here are some specific ways the CoMTTRA team has placed this in the context of our conversation with DeBeers:

- New Mexico has a history of dealing with perceived mistrust between citizens and public/private partnerships. Mining reclamation is one of those issues. The NM Bureau of reclamation has often had struggles with issues related to bringing in stakeholders to discuss pertinent issues to community. One pressing concern the public has challenged the state is with poor planning for anticipated cost of reclamation.
- Economic remediation in Questa (Molybdenum) and Gallup (Uranium) parallels the toxic runoff of those minerals and has prompted similar discussions about environmental to economic remediation within the state that has lasted over a century. The oil and gas industry (Farmington, Artesia) has also dealt with significantly lowered prices of fossil fuels, which has left state tax revenues which are highly dependent on these resources highly susceptible to budgetary vulnerability.
- Uranium can be considered a conflict resource. It not only contributed to the major conflict of a major world war, it played a large role in the production of the modern international governance system. New Mexico played a significant role in both the mining of Uranium and the development of the research and development that weaponized it. From a health perspective, many workers were exposed to radiation, and in 1990, NM’s Senator Jeff Bingaman sponsored the Radiation Exposure Compensation Act (RECA, see [here](#) for further information) to address some of the issues related to the extraction of Uranium.
- New Mexico is a multi-layered colonial state. It has been under the control of the Spanish Empire, Mexican (vis-à-vis French) colonial rule, and was subject to American colonization. This has created a complex legal and cultural system that makes resource allocation more complex
- Water rights laws in New Mexico are among the most complicated in the world and our water resource law is among the most sophisticated. Did you know that NM has the longest running legal case in relation to water law? Much attention has been paid to the issues learned from these legal issues, both in a national and global context.
- New Mexico has some of the oldest and longest-standing codes regarding natural resource allocation that have survived the modern era. This includes customs regarding irrigation and trade.
- NM once had a significant dependence on local infrastructure not built by New Mexicans. As a result, several infrastructural failures, including the 1970s dam failure Rio Puerco, serve as lesson’s learned in terms of infrastructural resilience.



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- NM has the only natural resource systems in the United States that are seen as their own government, recognized by federal treaty (The Treaty of Guadalupe Hidalgo and various Native American accords). This adds to the multi-sovereign landscape associated with resource allocation.
- New Mexico has been the staging ground for conservation and ecological discussions about economic growth vs. environmental sustainability. The growth of the mineral industry in relation to the vulnerability of the silvery minnow and the spotted owl have been notable national discussions related to this topic.

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