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Living downwind from corporate social responsibility: a community perspective on corporate practice

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This paper critiques dominant corporate social responsibility (CSR) theory, which claims that commercial and social goals overlap and coincide. It is suggested that this uncritical portrayal and treatment of complex industry–community relations risks neglecting the potential tensions that may arise should these goals diverge or be in conflict. In this context, the experiences of residents in a small Western Australian town are presented to describe a long-running conflict between community members and their corporate neighbour. The data point to a range of community impacts as a result of corporate activities and unearth strong differences between ‘local’ and ‘corporate’ understandings of CSR. Based on the perceived shortcomings of an economically underpinned CSR approach, we question the possibility of meeting local needs by means of economic efficiency. Calls are made for critical reflection on the key assumptions underlying dominant CSR theory and consideration is given to questions of guidance for CSR practitioners.

Introduction

Corporate social responsibility (CSR) has become a widely accepted concept (Blyth 2005, Pedersen 2006) and is traded today as the panacea for many ethical dilemmas faced by the business community (World Business Council for Sustainable Development 2000, Berman & Webb 2003, van Marrewijk 2003, Kemp et al. 2005, Costantinos 2006). An expanding body of CSR literature emphasises the direct and indirect economic benefits that can result from the recognition of social and economic interdependencies (McWilliams & Siegel 2001, Verschoor 2001, Brammer & Pavelin 2004, Sparkes & Cowton 2004, Orlitzky 2005) and the possible synergies of contributing positively to social cohesion and community well-being (Burke & Logsdon 1996, Windsor 2001, Hopkins 2003). It also seems as if the message that ‘ethics pays’ (Roberts 2003) has started to resonate with the business sector, evidenced by growing investments in CSR activities across OECD countries (Paton & Siegel 2005).

Nonetheless, in spite of the newly found interest in responsible business conduct, there continue to be limitations to both CSR theory and practice. The business realm remains in the spotlight for immoral business conduct (Cohan 2002, Zalewski 2003, Sarre et al. 2001), and terms such as ‘corporate social responsibility’ and ‘business ethics’ continue to be seen as paradoxical and oxymoronic (Marsden 2000, Frankental 2001, McKenna & Tsahiridu 2001). In this context, it is the aim of this paper to offer empirical insights into two inter-related ‘failings’ of the dominant strand of CSR theory (after Blowfield 2010).
2005a). A case study of a long-running industry–community dispute in the South-West of Western Australia (WA) is used to describe the stark differences between ‘local’ and ‘corporate’ understandings of good CSR practice and to highlight the problematic of balancing corporate, economic goals with social expectations at the community level. The ‘failings’ addressed here relate to the economic capture of social issues and the question of CSR effectiveness in terms of whose ends CSR meets and by whom CSR effectiveness is determined.

Firstly, dominant capitalist strands of the CSR literature are premised on an assumed compatibility between companies’ profit motive and broader social and environmental imperatives (Korhonen 2002, Amaeshi & Adi 2007). Paradoxically, this instrumental approach to CSR serves to legitimise a corporate status quo, which arguably gave rise to the CSR debate in the first place. Thus, one ought to question the extent to which the pursuit of corporate self-interest can help address those social and environmental concerns that lie beyond the business case for CSR (Banerjee 2007).

Secondly, we raise the issue of gauging CSR effectiveness based on questions surrounding the judgement of CSR performance (Ryan 2003), the legitimacy of CSR stakeholders (O’Rourke 2003) and the social acceptability of CSR practices (Mikkilä 2003, Gunningham et al. 2004). Critical in this regard is the issue of power and the way in which CSR serves the interests of powerful actors in business–society relationships (Blowfield 2005a). This also relates to the measurement of CSR effectiveness, which rarely involves affected minorities at the ‘receiving end of CSR’. These are the communities living under corporatised skies who arguably have the highest moral claim (Gibson 2000) within the CSR debate and perhaps a more suitable vantage point from which to define CSR obligations and to judge the degree to which they have been fulfilled.

In sum, this paper critiques what we perceive as the uncritical and non-reflexive adoption of the CSR rhetoric and the narrow and self-serving framing of the CSR agenda. It will be shown that a blinkered and selective approach to CSR serves to exclude local voices and dissenting, non-economic rationalities, raising doubt over the social acceptability of the CSR enterprise. These issues will be addressed in more detail below as part of an overview of, and critique on, dominant CSR theory before a presentation of the methods and the case-study data.

### A critique of dominant CSR theory

While ridiculed as a joke by the investment and business community in the 1970s, today, CSR is almost universally endorsed across all spheres of society (Lydenberg 2005). This change in sentiment can be explained in light of the growing need to harmonise the increasingly visible tensions between companies and their changing socio-political contexts (Idowu & Towler 2004). Dominant CSR theory has been able to respond to these challenges, articulating and promoting a business case for CSR that proved instrumental for the widespread adoption of CSR observable across the business realm. The limitations and narrow framing of the business case, however, also set limits to CSR practice.

Early interest in CSR was rooted in critiques of orthodox economics (e.g. Clark 1916). However, the capitalist brand of CSR theory, which currently dominates the CSR field (Korhonen 2002, Amaeshi & Adi 2007), is underpinned by neoclassical economic theory (Blowfield 2005a), today’s prevailing social paradigm (Schafer 1994, Lazear 2000, Korhonen 2002). This brand of CSR is married with the corporate profit motive and sees business’ key social welfare contribution in its ability to maximise shareholder value (Friedman 1970). Although the hard-nosed shareholder-based approach postulated in the 1970s has since lost its stronghold in light of changed expectations on company conduct, the ‘leitmotif of wealth creation’ has remained the cornerstone of dominant CSR discourses (Windsor 2001).

The language of wealth creation gels with managerial thought (Amaeshi & Adi 2007) for it seemingly overcomes the separation of corporate self-interest and social responsibility as even socio-economic objectives can be turned into economic concerns under the banner of ‘enlightened value maximisation’ (Jensen 2002). The concept’s underlying economic rationality provides the business case for CSR, which has been strongly advocated in...
recent years (World Business Council for Sustainable Development 2000, Berman & Webb 2003) in attempts to maximise company buy-in and to mainstream CSR practices (Lee 2008). These efforts are also supported by research that seeks to link good company conduct to various direct and indirect business benefits (e.g. Turban & Greening 1997, Hillman & Keim 2001, Hopkins 2003, Lewis 2003, Gunningham et al. 2004, Sparkes & Cowton 2004, Kotler & Lee 2005, Orlitzky 2005, Porter & Kramer 2006). To this day, however, many of these ‘links’ have remained tenuous (Griffin & Mahon 1997, Griffin 2000, McWilliams & Siegel 2001, Margolis & Walsh 2003, Orlitzky et al. 2003).

The business case for CSR rests on the interdependencies that are said to exist between business and society for the creation of jobs, wealth and the improvement of living standards and social conditions (Hoque 1985). The mutual dependence between business and society gives rise to the principle of shared value (Porter & Kramer 2006), which translates community well-being into companies’ long-term interest and is thus perceived to overcome entrenched perceptions of an incompatibility between economic and social goals. The strategic integration of CSR into a framework of total social responsibility of business (Lee 2008) is believed to enable firms to link their capabilities with the opportunities their social environment presents for the attainment of both societal benefit and competitive advantage (Collis & Montgomery 1995, Miles & Covin 2000, Munilla & Miles 2005, Porter & Kramer 2006). It therefore appears that dominant CSR theory has been able to shake its image of being a ‘subversive doctrine’ that threatens the very foundation of free enterprise (Friedman 1962 cited in Lee 2008) and to evolve into what Wallich & McGowan (1970) call a ‘new rationale’ that reconciles social responsibility with shareholder interests.

It is suggested here, however, that the self-interested pursuit and strategic selection of social problems are inherently limited and do not represent a departure from the contractarian, ‘Friedmanite’ position (after Galbreath 2006). In expounding, dominant CSR theory effectively seeks to balance what Banerjee (2006) calls the efficiency–legitimacy dichotomy. This dichotomy bespeaks the corporate situation of being legally obliged to engage in rent-seeking behaviour while needing to maintain a social license to operate by demonstrating ‘civic virtue’ (Regan 1998). In this regard, CSR allows for business as usual with a social twist. CSR beyond the business case continues to strike as illusory for it remains irreconcilable with company interests and legal obligations where the interests of society do not merge with the interests of society (Newell 2001, Banerjee 2007). While altruistic or humanitarian orientations of CSR call for corporate contributions to social welfare beyond arguments of economic efficiency (Carroll 1991, Kok et al. 2001), these calls are dismissed frequently, for they are considered to fall outside the ‘firm’s proper scope of activities’ (Lantos 2001: 605). Arguably, there lies the tension; the protection of social interests that economic orthodoxy does not cater for and laws at times fail to protect. Social interests seem to remain outside the corporate mindset, which essentially is an economic mindset that CSR attempts to ‘socialise’ (after Banerjee 2006), but without challenging its fundamental values (Blowfield 2005a).

The economic rationality that dominates the CSR field also tends to dominate other rationalities in public debates behind a façade of purported objectivity (Neville 1997, Handmer et al. 2001, van Bavel & Gaskell 2004). Within the CSR field, this has led to the legitimising of exclusive ways of thinking about CSR and the prevention of a critical debate (Blowfield 2005a) as dissenting viewpoints are discredited and rejected. The closedness of economic rationality (Dryzek 1996, Hamilton 2002, Özel 2002, Fergus & Rowney 2005) potentially renders an economically underpinned CSR theory ineffective to address the very social dilemmas it is meant to solve because its underlying reductionism only lends itself poorly to a complete understanding of the CSR problematic. As a result, critical structural and procedural aspects of industry–community conflicts as they relate to issues such as power and stakeholder dissent tend to be overlooked and to fall outside the realm of critical analysis. It is argued in this paper in light of the case study presented below that an openness is required to dissent as well as an awareness of power differentials as only then can business–society tensions be addressed meaningfully.
With regard to the measurement of CSR effectiveness, which is chiefly part of the managerial domain (Mikkilä 2003), a similar degree of openness may be required. This may entail the use of stakeholder-informed performance appraisals to qualify and indeed challenge in-house assumptions about the nature and virtues of CSR practice without the risk of economic capture and to help foster what Pater & van Lierop (2006) call ‘shared sensemaking’ of CSR issues. In this way, systemic blind spots can be identified and critical reflection can occur. In contrast, a closed, blinkered or selective approach to the management of companies’ social environments will only serve to maintain the status quo. Herein lies the challenge for CSR theory: needing to provide guidance for the corporate navigation through messy business–community disputes and enabling connections with the world beyond the boundaries of cost–benefit analysis. An open and reflective CSR can help companies deal with the issues that fall into the discretionary grey area of ethical CSR (Carroll 1991, Lantos 2001) that have fuelled the CSR debate for many years. The case study and subsequent discussion will show why calls for more debate on these shades of grey are justified and necessary but also why any optimism about the corporate embrace of CSR beyond the business case may be misplaced.

**Case study: The Yarloop experience**

The small town of Yarloop is located approximately 125 km south of Perth, WA’s state capital (see Figure 1). Since white settlement in Yarloop in 1849, the town gained in regional significance due to agriculture as well as timber and steam engine production. Over the years, as traditional industries started to wane, metropolitan ‘lifestylers’ moved to the area, seeking the peace and tranquillity of rural living and taking advantage of Yarloop’s geographic location nestled between the Indian Ocean and native forest. In the mid 1990s, Yarloop had a population of approximately 620 residents, who, compared with the regional average, enjoyed high levels of household income, high levels of home ownership (Australian Bureau of Statistics 1996a, b) and prided themselves, as the case study will attest,

![Figure 1: Locality of Yarloop in Western Australia](image-url)

*Sources: Google (2007), Shire of Harvey (2007), Hopper (1992), Beard (1982).*
with a strong sense of place and community cohesion. In short, Yarloop was seen by residents as a ‘piece of paradise’.

Today, Yarloop is described by long-term local residents as ‘a depressing place’, and media coverage speaks of living ‘at death’s door’ (Bruce 2008), painting a picture of a ‘dying town’. Over the last 10 years, Yarloop experienced sharp economic decline, losing most of its local businesses, including two petrol stations, the local shop and the hospital (Hepburn 2007). Local statistics attest to a 45% decline in the region’s population, a decline in property values and a shift from private home ownership to rental accommodation (Australian Bureau of Statistics 1996b, 2002, 2006; Walker 2002, Chartres & Rowland 2004). Overall, around 80% of residents who were living in Yarloop in 1997 are believed to have left the area, signalling dramatic social changes in the town. Many long-term residents, who were interviewed during the research reported on in this paper, attributed this change to the presence of Alcoa’s Wagerup alumina refinery, which is located just north of the town’s boundary.

Alcoa is a US-based company and one of the world’s largest producers of aluminium. In WA, trading under the name of Alcoa World Alumina, the company operates two bauxite mines and three alumina refineries, from where it produces around 7 million tonnes of alumina each year. This accounts for 13% of the total world demand and delivers export earnings of around A$2.8 billion (Alcoa 2006a, 2007a). Alcoa prides itself as a significant contributor to the WA economy and sees itself as being axiomatic for sustainable development in the region (Alcoa 2005a, c, g). The company also claims to be a socially minded and environmentally responsible business (Alcoa 2005a, 2007b), also having its achievements in these areas recognised both nationally and internationally (Reputex 2003, Australian Mining 2007, Innovest Strategic Value Advisors 2008). Alcoa promotes itself as a socially responsible industry leader, claiming that CSR ‘is ingrained and part of the company’s DNA’ (Alcoa 2009: 5) and to be operating in an open and honest way, being accountable to its host communities (Benson 2008).

As will be shown, the company denies claims of adversely impacting on the health and well-being of local residents, pointing to a wealth of scientific studies (e.g. Mercer 2001, Cullen 2002, Cook 2003, Donoghue & Cullen 2007), which purportedly show no toxicological link between residents’ health complaints and the company’s operations. In fact, Alcoa considers the health and safety of its staff and local communities in which it operates a top priority and as integral to its business (Alcoa 2008a).

Alcoa began operations on its present site at Wagerup in 1984 after having purchased surreptitiously farming properties in the area in the 1970s (Kelly 1976, Murray 1976). Despite a series of environmental protests largely organised by environmental groups from Perth (Hughes 1980) and concerns expressed by some local residents about the presence of an alumina refinery on their doorstep (Langley 1976), the arrival of the industry was generally welcomed, promising local employment and income amidst a decline in traditional industries in the area (Anon 1976, Dames & Moore Consultancy 1978).

Industry–community relations changed in the mid 1990s when Alcoa installed a liquor burner at its Wagerup refinery, which triggered complaints by refinery workers and local residents about noise, odour and health problems. Similar problems arose at Alcoa’s Kwinana refinery following the installation of a smaller liquor burner unit in 1989 (Southwell 2001). Alcoa attempted to fix technical problems with the liquor burner at Wagerup and yet denied any responsibility for adverse health impacts on the local community, merely making allowances for impacts in the form of noise and odour (e.g. Alcoa 2005f, 2006f). While company-internal documents acknowledge potential health impacts from refinery emissions (Southwell 2002), Alcoa claimed repeatedly that the concentrations of harmful substances were within health and safety guidelines (evidence given to the Standing Committee on Environment and Public Affairs 2004, Alcoa 2005f).

Community agitation continued and peaked in terms of media coverage between 2001 and 2002 (e.g. Utting 2001, 2002) amidst attempts by Alcoa to introduce a land management plan (Alcoa 2001, 2002), which effectively divided the town of Yarloop into two different management areas, fuelling anxiety among community members. This was not only because a planned buffer zone was seen as an
admission of something being wrong with the refinery but also because residents within the two land management areas were being treated differently, which served to split the community (Ross 2003).

Alcoa sought to own the land closest to the refinery so as to have an effective noise buffer and to avoid ongoing complaints from local residents (Miraudo 2001b). This area became known as Area A, and residents in that area were made offers by the company to sell their land and properties. Residents outside Area A initially did not receive buyout offers, even though they believed they were also affected by noise and health impacts from the refinery. While Alcoa eventually also agreed to buy properties in what became Area B, the properties purchased were bought at lower prices than properties in Area A, leading to further community disquiet. The nature of the conflict changed, no longer being driven exclusively by fears of impacts but also equity and financial concerns.

The conflict reached a new height around 2005 and 2006 when the company proposed to expand its Wagerup operation with a view to almost double its output capacity (Alcoa 2005b), triggering fears of larger emissions and community impacts (Flint 2006b). In the face of considerable public opposition to the proposal (Yarloop and Districts Concerned Residents’ Group 2005, Community Alliance for Positive Solutions Inc 2006) and concerns raised by medical practitioners about unresolved health issues (Holman et al. 2005, Flint 2006a), the WA state government approved Alcoa’s expansion plan in 2006 (McGowan 2006). Notwithstanding Alcoa’s seeming success in having obtained expansion approval, community agitation continued. While Alcoa announced recently that it has put its expansion plans on hold citing the global financial downturn (Alcoa 2008b), a multi-million dollar class action is currently being mounted against the company by local residents (ABC News 2008). The writ accuses Alcoa of ‘knowingly, negligently and recklessly operating its factory and poisoning surrounding communities with toxic emissions’ (Business WA Today 2009). Concurrently, Alcoa faces court in WA charged by the Department of Environment and Conservation for alleged pollution with criminal negligence at the Wagerup refinery (Australian Associated Press 2009). At the time of writing, both court cases were ongoing.

In sum, the long-running conflict surrounding the Wagerup alumina refinery has not been resolved to date. The case study below will shed light on the nature and the reasons underlying the persistence of the conflict.

Method

The data presented below are derived from a series of interviews conducted as part of a broader investigation into the Wagerup conflict. The research was carried out by Brueckner between September 2006 and October 2007, which was initiated in response to growing community concerns about the proposed expansion of the Wagerup refinery at the time. The aim was to document and analyse the long-running conflict between members of the Yarloop community and Alcoa with a view to identifying possible pathways for a resolution of the Wagerup controversy and to distil lessons for the prevention of similar industry–community conflicts.

Sampling

Based on snowball sampling (Goodman 1961, Babbie 1992), data were collected from a broad cross-section of stakeholders involved in the Wagerup conflict (see Table 1). The snowballing process commenced with targeted sampling (Watters & Biernacki 1989) through the identification of a small group of research participants whose selection was based on their centrality within the debate but also their willingness and ability to participate. The centrality criterion required individuals to have been ‘recognised actors’ in public records such as media reports (e.g. Manton & Dortch 2003), corporate communications (e.g. Alcoa 2005d) and parliamentary proceedings (e.g. WA Parliamentary Debates – Hansard 2006).

A ‘snowball’ of participants emerged as initial interviews led to further interviews and a successive widening of the circle of research participants. Saturation was reached as fewer new names were being suggested and, most importantly, no additional insights were gained through the interview process. The adequacy of the sample size was
determined by the degree to which divergent views were covered through the sampling process (Heckathorn 1997).

A volunteer sample complemented the snowball sample described above. A volunteer sample evolves through the self-nomination of participants following the public announcement of a study (Yin 2003). In this case, the research was advertised in the local newspaper and on local radio, inviting respective readers and listeners to register their interest in participating. The research was announced publicly to create awareness of the study as well as to cast a wide net for the capture of different perspectives. Based on the two sampling methods used, data were collected from a total of 81 interviews (Table 1).

Data collection

Because of the exploratory nature of the research, semi-structured, open-ended interviews were conducted (Liamputtong & Ezzy 2005). This form of in-depth interviewing is conversational in style, facilitating the exploration of complexities and different subjective interpretations and meanings (Taylor & Bogdan 1998). It encourages participants to share their views on and experiences with the issues discussed (Wengraf 2001), making it a suitable data-collection vehicle for the purposes of this study. The interviews were recorded, transcribed verbatim and then imported into QSR NVivo 7.0 (QSR NVivo 2006) for data analysis.

Table 1: Groups of participants

<table>
<thead>
<tr>
<th>Participant grouping</th>
<th>Sampling technique</th>
<th>Number of interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local residents</td>
<td>Target sampling</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Snowball sampling</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>Volunteer sampling</td>
<td>5</td>
</tr>
<tr>
<td>Company staff</td>
<td>Target sampling</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Snowball sampling</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Volunteer sampling</td>
<td>2</td>
</tr>
<tr>
<td>Media</td>
<td>Snowball sampling</td>
<td>2</td>
</tr>
<tr>
<td>External consultants</td>
<td>Target sampling</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Snowball sampling</td>
<td>3</td>
</tr>
<tr>
<td>Public servants</td>
<td>Snowball sampling</td>
<td>4</td>
</tr>
<tr>
<td>State politicians</td>
<td>Snowball sampling</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Volunteer sampling</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>81</td>
</tr>
</tbody>
</table>

Data analysis

As this study sought to analyse the nature and dynamics of the Wagerup conflict based on the perceptions of different research participants, a thematic analysis was used for the analysis of the interview data (Denzin & Lincoln 2000, Braun & Clarke 2006). Thematic analysis involves the encoding qualitative data in the search for patterns and themes that help explain social phenomena (Arason 1994, Boyatzis 1998, Fereday & Muir-Cochrane 2006). Themes are developed through the careful iterative and reflexive examination and re-examination of the raw interview data (Rice & Ezzy 1999). The data analysis began with the inductive coding of important moments, which capture the richness of social phenomena (Boyatzis 1998).‘Emerging themes’ were counted as themes in this study when interview data addressed the guiding research questions.

- What gave rise to the conflict?
- How have you (family, friends, community) been impacted?
- What continues to drive the conflict?
- How can the conflict be solved?

A subsequent search for commonalities and differences among the individual accounts of the Wagerup conflict led to the clustering of themes (Platt 1981). The use of clusters was based on assumptions about the homogeneity of conflict stakeholders’ views of the events at Wagerup. The validity of these assumptions was tested throughout the study via constant reference to the interview data and the triangulation of the interview data with information derived from other Wagerup-related data sources such as corporate communications and media reports as well as public inquiries and research reports.

The themes that emerged from the interviews were pieced together to form a comprehensive picture of research participants’ experiences of the events at Wagerup. Each theme contained selected interview fragments, which were left intact as much as possible so as to minimise author intervention. Select interview data shown in this paper are presented parenthetically to enable participants to tell their story. For confidentiality reasons, however, individual participants cannot be identified.
Rigour and validity

Statistical representativeness was not a prime requirement for this study as its key objective was to understand a complex social process. Nonetheless, as the majority of interviews conducted involved community members, ‘informant representativeness’ ought to be addressed here (Miles & Huberman 1993). It is understood that the sampling techniques used proved to be prone to selection bias. However, through the use of different sampling techniques, an attempt was made to exhaust the discourse variety to a point where no new data could be obtained from further interviews. The representativeness of opinions, events and activities (Miles & Huberman 1993) was ascertained through the detailed description of the history of the conflict and of other pertinent, contextual information using different data sources. Therefore, strong sentiments expressed during interviews could be interpreted in light of rich external data. Furthermore, much time was spent to establish an indepth understanding of the research setting during the data-collection process. Over a period of 12 months, regular visits to Yarloop and extended stays helped develop an enhanced familiarity with, and sensitivity to, the specifics of the local setting (Mays & Pope 1995), facilitating learning and context-bound extrapolation (Patton 1990). Overall, data robustness was ascertained through the corroborations of interview data with information derived from other sources and close attention to context.

Also, in terms of validity, member checks were used to ensure that both the interview transcripts and the research findings yielded a ‘faithful’ depiction of participants’ experiences (Miles & Huberman 1993). During the data analysis, feedback was also sought from colleagues who were asked to ‘play devil’s advocate’ (Marshall & Rossman 1995) to critically question the approach adopted in this study and the conclusions reached. To this end, select findings of this study were also presented at a university research seminar (Brueckner 2009) and at an international conference (Brueckner 2008). The feedback provided at these events helped us remain theory-minded (Patton 1990) and aided critical reflection on assumptions and inferences made.

This study intended to capture multiple experiences with, and perceptions of, the same social phenomenon. We sought to arrive at a coherent, stakeholder-informed account of the events at Wagerup, identifying commonalities and points of difference in an opaque, emotionally charged and very complex, politicised conflict. Consequently, multiple, highly subjective and conflicting readings of this conflict were to be expected (Burr 2003). In this regard, at issue here is not the objectivity of the results but their trustworthiness (Lincoln & Guba 1986). Therefore, the results presented below, the limited generalisability of which we recognise, ought not to be judged in terms of their truthfulness but their usefulness to research and their contribution (Denzin & Lincoln 2000, Burr 2003) to the CSR debate.

Research paradigm

Following the critical research’s agenda of social critique (Kincheloe & McLaren 1994), we side with the least powerful participants in this conflict; these are the community members who claim to be adversely affected by the presence and activities of their corporate neighbour. These community members are considered ‘vulnerable’, a social construction broadly understood here in terms of individuals lacking choice and control over their own destiny and being affected by the actions of others (Armstrong 1997). More specifically, vulnerability relates to both experienced status inequality (Liamputtong & Ezzy 2005) and experiences of real and perceived harm (Moore & Miller 1999). Status inequality refers to small communities frequently lacking autonomy and the resources to defend their rights and quality of life or to gain access to decision makers to improve their situation (Adams & Hess 2001, Dovers 2002, Ross 2007). The experience of real or perceived harm relates to the exposure to risks to community welfare, the lack of access to safeguards for community protection and to having experiences of harm recognised (Wakefield 1996, Hewitt 1997).

We intend to foreground the voices of so-called ‘hidden’ or ‘invisible’ community members (Liamputtong & Ezzy 2005), individuals who are often unable to be heard in the spheres where politics and
economics meet and where their lives are affected by decisions made about regional development. By championing and promoting subordinate community discourses, we hope to shed light on the impact of power and politics at work in industry–community conflicts and in this context problematise the dominant CSR discourse (Burman & Parke 1993), which was shown earlier to be uncritical in its portrayal of industry–community relations and existing power dynamics (Blowfield 2005a).

**Findings: intangible issues of conflict**

Because of its complex nature, the Wagerup conflict cannot be dealt with here in its entirety. Therefore, attention is focused on a selection of key issues only. Much of the Wagerup conflict was driven by concerns about health and financial compensation. However, issues such as these will need to be determined by the courts and are not the subject of this paper. The issues presented below are related but far less intangible social issues, which were identified by Yarloop residents and were also captured by previous community-based inquiries (Croft 2005, Walker 2005). As will become apparent, these issues were integral to the community’s disquiet about Alcoa’s Wagerup operation and included perceived impacts on:

- families and friends;
- historical connections;
- future dreams and plans; and
- quality of life.

The above issues were selected because they are at risk of being overlooked in CSR debates, which are often centred on issues that can be measured, quantified and, if the need arises, monetised. Intangible values, however, such as people’s connection to place, are often not articulated, inherently difficult to measure and therefore likely not to be registered by a quantitatively driven, rational CSR mindset. Yet, the case study highlights that values such as these are deep-rooted and their overriding can serve to aggravate conflict despite rational attempts at problem resolution.

As indicated earlier, in the eyes of long-term residents, Yarloop was a place with ‘a very close knit community’, strong social cohesion and good quality of life.

It was an absolutely wonderful little town. Everybody looked after everybody.

The community at that point . . . was very close knit. People would help one another, if someone was in need or needed financial help or had problems, someone would come along and give you a hand.

By comparison, Yarloop today was described by the same residents as being ‘totally different now, because . . . a good 80% . . . of the original residents have sold up and left the town.’ These days, life in Yarloop was considered ‘scary’ and ‘horrible’. The place was seen as a ‘ghost town’ where ‘the quality of life . . . ha[ld] just disintegrated’.

Dead! It just doesn’t seem to have any life any more.

A shit-hole! Honestly, I could not live there . . . the atmosphere, what you can see in Yarloop, it has deteriorated that much.

These changes were attributed to Alcoa’s operation and the impacts it was having on the community.

One impact most local residents cited in connection with the enduring Wagerup conflict was the toll it took on families. Health problems or the fear of being affected by pollution from the refinery have led to much family-internal friction, the up-rooting or the separation of close family units.

The families have all broken up. It was a very family community and everyone knew each other and that’s not there any more, it’s all broken off. People have split up and gone to different towns, different places due to the threat of pollution from Alcoa and future expansion from it and people have moved on.

My grandchildren no longer come here because they get sore eyes, itchy skin, blood noses and all the classic symptoms of the effects of Alcoa, so my grandchildren won’t come here.

Well, it was either [move] or get a divorce . . . In the end, [my partner] said we either sell up or I’m out of here, and I couldn’t blame her. She’d had enough.

The effects on families were also felt more widely because of an exodus of many long-term residents,
which meant that not only were family relationships being affected but also friendships across town, disrupting a large part of the community.

So my loss is the friendship, the connection I’ve had with all the friends and people I grew up with. Now there’s probably only a handful left at this point.

The social connection, the friendship, the people looking after each other, the way this town was close and worked together. That part of it there is gone and that’s what I miss the most . . . the part of the friends that I had. Yeah, it isn’t the same town I used to know.

As a result of the local upheaval, many residents expressed a sense of depression and resentment towards Alcoa.

I don’t like living in Yarloop any more because of the negative attitude portrayed about the town and just the negativity of living here.

I have lost a great deal of my enjoyment of life. I have only got one considered friend left in town and he’s stranded here because he can’t get out.

It’s a very bitter town. People are very angry.

Impacts were also felt in other areas of residents’ lives, impacts that went beyond people and property. There was a widespread sense of emotional loss as it relates to local history as well as residents’ future plans and quality of life. With regard to people’s historical connection to Yarloop, locals were grieving the loss of long-standing family ties to the area, and as residents moved away from the area, local family histories became fractured.

I was third generation Yarloopian and [my children were the] fourth generation . . . in Yarloop. There will never ever be a fifth generation . . . in Yarloop. That’s my history gone . . .

. . . there is an emotional thing in moving from somewhere where you’ve been — you’ve had generations of family that have established what you’ve got, that’s hard to replace, it can never be replaced.

Many residents, especially farmers, had long-term plans for their retirement and the hope of being able to hand over family farms to their children, which were seen to have been disrupted by impacts the refinery was believed to have on the community.

I always intended to stay there for ever and a day because my son was going to take on the farm, and we had about four acres there and we built a new home and we had it going pretty good and everything was going pretty good until the kids came along and they were getting crook.

It’s just disappointing how it’s turned out. Well, for me, I thought I had my life mapped out. And now I’ve had the rug pulled from underneath me.

The statements illustrate the impact felt by local residents from having Alcoa as their corporate neighbour. It will be shown below that local experiences such as these, however, were marginalised by Alcoa and not recognised as legitimate CSR issues because the company denied having adverse impacts on the community.

Alcoa’s interpretation of the conflict

Alcoa staff agreed that the installation of the liquor burner in the mid 1990s gave rise to the conflict. Staff conceded that ‘Alcoa had a great deal of difficulty in getting the plant to operate effectively and operate the way it was designed’. Yet, operational problems on site were not seen to be related to community complaints about poor health. Instead, health symptoms were largely considered psychosomatic manifestations.

I think around this whole issue from a health perspective and particularly a public health perspective it’s a very fragile thing and if people think that they’re unwell they will be unwell . . . as issues were raised others realised that they’ve been affected and so you ended up with a lot of people believing that they’ve been affected.

Alcoa staff seemed convinced that the Wagerup site was ‘the most measured piece of atmosphere in the world’. Thus, there was a view that ‘[Alcoa] had all [its] bases covered, [the company] had all [its] measurements. [Alcoa] had all of the health guidelines and so forth and there wasn’t an issue . . . since [the company] ha[d]n’t really been able to find anything that would create a conventional health risk’. This meant that community concerns were
countered with science, which also served to harden the company’s conviction that it was ‘doing no harm’. However, local residents questioned Alcoa’s certainty and challenged corporate science.

I just don’t think they know what they’re doing. They’re not going to do anything about the emissions because quite simply they don’t know where a lot of them are coming from, and they don’t know how to control them.

... the pure and simple fact is that the science of chemicals is still in its infancy and certainly the medical aspect of that is even further in its infancy.

Alcoa recognised that local residents ‘felt like the refinery was intruding on their lives but they couldn’t get out’. In response to this, Alcoa developed its land management plan with the aim that ‘people could leave gracefully if they wanted to’.

[We] issued a land management strategy and the idea was that it identified a line around the refinery ... and what it said was Alcoa would like to own the land within that area and so it would put an offer on the table for anyone who lived in that area. ... The idea was that if people closest to the refinery really wanted to leave then Alcoa would help them do that.

The creation of Area A resulted in community outrage because ‘there was a perceived inequity there’, which is why Alcoa expanded its land management plan, and ‘Area B was put in place to address some of the inequity’. ‘The consequences of that ... [however] were fairly dramatic’ as different buyout offers to local residents served to divide the town and intensify perceptions of inequity. Nonetheless, the price differential was considered justified ‘[b]ecause Alcoa [could] not find a bit of science that says it’s having an impact out there [Area B] ...’.

**Local expectations of CSR**

For many community members, process was a decisive aspect of the Wagerup conflict as perceptions of poor treatment were believed to have fuelled the conflict. In this context, local residents expressed the expectations they had of Alcoa for dealing with the conflict. Broadly, these expectations can be captured under the four headings listed below:

- fix your problems;
- be open and honest;
- be accountable; and
- be respectful and compassionate.

First and foremost, many residents did not seek compensation nor did they wish to be bought out by Alcoa. Primarily, there was a desire for the company to improve its operations so as not to impact on the community.

It was never an issue of selling up and moving out of town; it was for Alcoa to fix up the problem on their side of the fence. And we stated that very publicly ... that we want you to fix it; we don’t want to move away; we want you to fix the problem.

The majority, or all the people I know of, actually said ‘Fix your problem. Leave the town alone’.

There was also a sense that the company should have been more open and honest in the way it was dealing with the community when problems first started to emerge.

If they had of been straight out, open and honest and ... even just a little bit generous, people wouldn’t have been worried. They would have even sat down at the table to work out how to stay in Yarloop rather than move out of Yarloop.

In this regard, Alcoa also stood accused of not being accountable in the eyes of residents for the damage the company caused, denying that problems existed. This also served to highlight the power differentials at play, as there was a sense that ultimately the company determined the process.

Number one ... is to acknowledge the problem exists rather than just flatly deny and continue to claim ‘We operate the world’s best practice, we are a benchmark’.

Alcoa ain’t gonna move. Nobody wants Alcoa to stop production. We want them to be accountable.

We’re just little nothings to them.

It was always what Alcoa wanted, how they wanted and when they wanted [it] regardless of
what anybody else thought, wanted, desired or anything else, and that’s how the process has been.

Importantly, the question of how the company engaged with the community was seen as critical. A missing aspect, according to residents, was an element of respect and compassion that purportedly would have helped diffuse the situation.

Well, they shouldn’t have come in and treated the locals originally like hillbillies, country hicks.

They didn’t care less; they didn’t care because they didn’t believe us. They actually sat there and mocked me.

Show a bit of compassion. That’s right, that’s what you want.

You’ve got a company that doesn’t have any scruples morally vs. people with feelings.

In summary, the statements provide an indication about the degree to which community members felt affected by what they perceived as the deterioration of the social relationships within their community as well as those between the company and Yarloop residents. In what follows, local sentiments are compared with responses from Alcoa staff, which combined will inform an ensuing analysis and discussion.

Alcoa’s responses to the conflict

This section details some of Alcoa’s responses to the Wagerup conflict as they relate to matters of process. It will be shown that the company seemingly focused rigidly on ‘good’ consultation principles such as openness and transparency. However, the social acceptability and suitability of these measures were seemingly not considered. Also, it bears note at this stage that the processes used by Alcoa and their respective community impacts were judged differently by managers within the company (‘there are lots of different views within Alcoa in terms of how it was handled’). An analysis of the heterogeneity of views held within the company, however, is beyond the scope of this paper (for a detailed analysis of company-internal dynamics, see Brueckner & Ross, forthcoming). The selected comments below lend expression to the dominant company response that is also mirrored in corporate communications and ultimately determined the nature of the conflict.

Alcoa managers believed that the company engaged with the community in good faith, giving people ample opportunity to voice their opinions and having input into the company’s decision making with regard to land management and other operational issues. Over the years, many forums and working groups were established that were open for anybody to attend.

The people who went on the working groups self-elected; they self-selected. As I said to you there were litigants on those groups.

We advertise it in the paper and if there’s a particular agenda item they’re interested in they can come; they can come for one meeting or they can come for as long as they like.

Yet, many of these forums were not being attended by local residents critical of Alcoa because it was felt that the meetings were ‘biased completely towards Alcoa’. As suggested by local residents:

They would select who could be on it and then they would boost these people up and give them big ego boosts by saying that you are representing your community, well done fellows. Then they would walk into the committee meeting and say ‘This is what we are going to achieve today... to me that is not what I consider community consultation.

With regard to corporate communications, staff believed that Alcoa kept the community adequately informed, confirmed by the positive feedback the company received from the community.

... we had a lot of different facets to the engagement framework one of which was these newsletters and we’ve had some really interesting feedback from them... we’ve had feedback... and the majority reckoned that the amount of communication is about right. People want to know a lot; they want to know in a form that’s very digestible for them and for their families.

Alcoa’s media campaign was focused heavily on the local and regional economic benefits the refinery and its future expansion would bring to the region, citing, inter alia, increases in local employment, tax revenue and infrastructure developments (Alcoa
Emphasis was also placed on the support the company received from local residents, businesses and company employees (Alcoa 2006b,d). Dissenting voices were also targeted by company advertising in local newspapers, accusing what was called a ‘small minority’ of making ‘false allegations’ and ‘exaggerated claims’ based on ‘personal agendas’ (Alcoa 2006e). The ‘attacks’ against Alcoa were labelled ‘counter-productive and based on misinformation’, adversely ‘impact[ing] community morale’ (Alcoa 2006e). Overall, there was a strong belief among Alcoa management that dissidents constituted only a small section of the community, which did not represent the wishes and aspirations of the wider community.5

What we see is the vast majority of people want to stay there. They’re happy. They want the town to prosper. … We’re pretty confident that that’s what people want to do and that’s the truth. … We hope very much [the expansion goes ahead] because there will be a lot of disappointed people if it doesn’t; people who want to see the jobs.

The majority of people are pretty comfortable and happy to stay there and want the town to go ahead.

Between 2002 and 2006, the number of community complaints to the company had declined, which was attributed, among other factors, to changes in the way the company responded to community concerns. This in turn was seen as a gauge for success.

There were changes made to the land management policy. There were some very big changes made to engaging people and listening to people, like the community, and there were also some emission changes made during that time including further noise reductions but … the thing for Alcoa is … that the number of complaints has decreased greatly.

Overall, Alcoa staff conceded that mistakes had been made over the last 10 years in terms of preventing and managing the Wagerup conflict. At the same time, there was a belief that the company had learnt from its mistakes and started to engage more effectively with the local community (Osborn 2004).

Discussion and concluding comments

The case study gave voice to local perceptions of real or perceived harm resulting from Alcoa’s Wagerup refinery, which were shown to be at the core of this industry–community dispute. Alcoa’s former managing director Wayne Osborne issued an unreserved apology to the community on behalf of the company. However, the issues driving this conflict have not disappeared. The ongoing controversy is indicative of high levels of continued community unease and resistance, reflecting poorly on past attempts to solve the conflict. As suggested by the Standing Committee on Environment and Public Affairs (2004: 370), which conducted a 3-year investigation into the events at Wagerup, ‘Alcoa failed to adequately recognise and respond to the complaints it received from … the local community’, lacking to offer a comprehensive response to the range of serious and complex issues developing at the Wagerup refinery, which resulted in a breakdown of trust between the company and the local community.

Alcoa seemingly adopted a single rationality for dealing with the Wagerup conflict, which we regard as an economically underpinned closed system approach that arguably fuelled community outrage and ultimately led to the derailment of industry–community relations. The Wagerup conflict evolved initially through what can be described as a sequence of inappropriate responses by Alcoa to community concerns, with the company dissociating itself from the problem by denying wrong-doing and impact. By its own admission, Alcoa took ‘a very strong-armed view’, using legalistic and scientific arguments as a means of countering community complaints (see Donoghue & Cullen 2007). The science surrounding Wagerup, however, was contested as health impacts were shrouded with uncertainty in the face of knowledge gaps and imperfect science (Standing Committee on Environment and Public Affairs 2004).

Community members have long been suspicious of the scientific certainty postulated by Alcoa and the company’s claims about the safety of its refinery emissions. From the community’s perspective, there needed to be ‘something in the air’ (Anon 2005) to explain local health problems (Miraudo 2001a),
community agitation (Holker 2005) and the mass exodus from Yarloop (Ferguson 2006, Pemble 2008). Emerging findings from ongoing research and monitoring in the Wagerup area (e.g. Calhoun et al. 2008, Holmes 2008), which only recently led to a tightening of Alcoa’s licensing conditions and more stringent air quality controls, arguably vindicated community concerns (Flint 2008). Alcoa seemingly relied on what Giddens (1990) describes as public trust in the expert system and the inability of laypeople to deal with, or counter complex science (Ophuls & Boyan 1992). However, Alcoa’s attempt to use science to legitimate its claims merely gave rise to local perceptions of the ‘untrustworthiness of science’ (after Wynne 1995) because of a mismatch between the scientific claims and residents’ lived experiences. The recent release of findings from ongoing research only hardened these perceptions. However, the community’s ‘Pyrrhic victory’ does not undo the social changes experienced locally and highlights the problems associated with scientific dogmatism in the face of risk and uncertainty.

As the Wagerup conflict continued and intensified over the years, inappropriate so-called second-order responses (see Crombie 1997, Emery 1997) by the company seemed to follow. These responses relate to Alcoa’s initial attempts at solving local problems and subsequent hostility towards local dissent. Alcoa’s approach to dealing with continued community agitation was the development and release of a land management plan. However, the company’s attempt to buy out affected community members, which Alcoa considered a sign of good will, manifested as a stereotypical Type III error (Mitroff 1998), offering the perfect solution to the wrong problem. It seems as if the company trusted that by enabling residents ‘to sell and leave the town with dignity’ locals would be willing to accept financial compensation when offered a way out. Yet, the case-study data suggest that affected participants had no desire to relocate but instead wanted ‘Alcoa to fix its problems’ with the refinery. The differential treatment of residents in areas A and B only seemed to add insult to injury.

In terms of dealing with community dissent, the case study indicates that Alcoa company built on its support from allies, focusing on the positive feedback it received from select community members, employees and local, mining-dependent businesses. At the same time, dissenting voices were being attacked and discredited through company newsletters and newspaper advertisements. This polarisation ultimately resulted in a stalemate with the company becoming increasingly cocooned amidst spiralling community unrest. Consequently, learning opportunities were being missed by the company as attention was focused largely on what was deemed a majority viewpoint. The resultant systemic blind spots prevented a meaningful and empathetic engagement with marginalised viewpoints, the representativeness of which remains hotly contested (compare Community Alliance for Positive Solutions Inc 2005, Alcoa 2006e).

The company’s selectivity raises questions about stakeholder legitimacy and the validity of stakeholder grievances. It appears that views that were well aligned with Alcoa’s business and long-term perspective for the region were used strategically to bolster the company’s media campaign. In contrast, dissent that ran counter to the company’s objectives was seen as unrepresentative and illegitimate. Alcoa seemingly understood its approach to CSR in terms of the company’s social contributions such as employment, tax revenue and philanthropic expenditures, which an expansion of the refinery promised to increase even further. Arguably, as evidenced by corporate communications, this is also how Alcoa understood its role in the regional sustainable development context (e.g. Alcoa 2005e). While this economic rationale resonated with Alcoa’s support base in the community, social issues that mattered to marginalised residents such as impacts on family ties and social connections were seemingly overlooked. This is why the rational, economic mindset is considered bounded (Kasper 1997) or blinkered (Daly & Cobb 1989) for it is prone to dismiss the value of different perspectives and to be insensitive to social complexities. Thus, we join the chorus of other authors (Blowfield 2005a, b, Banerjee 2006) questioning its suitability as a foundation for CSR theory.

With regard to the question of CSR effectiveness, it comes as no surprise that Alcoa and members of the Yarloop community arrived at diametrically opposed conclusions. While from the company’s point of view the situation improved in light of
reduced complaint figures, local residents saw their lives and their community change dramatically. To contextualise the decline in community complaints, it warrants note that by 2006, Alcoa owned most of the land in Area A and numerous properties in Area B. These properties are rented out to tenants, who signed lease agreements in which they agree not to take action against the company (see an excerpt from a lease agreement below).

The tenant agrees that it will not make any claim or lodge any formal complaint against Alcoa for any complaint figures and the lack of local trust in the company's social responsibility Alcoa seemingly do not stop them from making a complaint (Flint 2006c). Nonetheless, Alcoa’s dominance on the local property market may in part explain the decline in the company's social responsibility Alcoa seemingly do not stop them from making a complaint (Flint 2006c). Nonetheless, Alcoa’s dominance on the local property market may in part explain the decline in the complaint figures and the lack of local trust in any claims that issues on the ground have been resolved. In fact, the relocation of Yarloop police officers to the nearby town of Harvey due to health concerns (Buggins et al. 2006) and health warnings issued to public housing tenants by the Department of Housing and Works (Flint 2006c) heightened local perceptions of being misled about the safety of refinery emissions.

The case-study data indicate that in determining the company’s social responsibility Alcoa seemingly sought to match the organisation’s values with those of powerful outside stakeholders, yet arguably at the expense of less powerful actors. Problem definition, issue selection and directions for conflict resolution were defined by like-minded people sharing similar values. The same ‘group think’ problem also seems to apply to the measurement of success. Consequently, Alcoa was never likely to arrive at CSR outcomes it could trust to be effective or reliable as they were not tested by ‘fringe stakeholders’ (Pater & van Lierop 2006) with high personal stakes and also relevant knowledge about local issues. There is a risk that companies focus exclusively on stakeholders who can help improve their financial situation or competitive advantage (Banerjee 2006), leaving little room for the interests of marginalised stakeholders. Yet, as the case study illustrates, fringe perspectives demand attention, a shared understanding of conflict issues and empathetic responses by companies before local problems and issues of conflict can be resolved. This, however, is contingent on the willingness of powerful conflict stakeholders to acknowledge that problems exist and that processes for conflict resolution are used that are acceptable especially to marginalised stakeholders. As pointed out by Frankental (2001), this critical faculty on the part of companies is often found to be missing.

The importance of meaningful company stakeholder engagement is widely recognised (e.g. Miles et al. 2006). At the same time, it is commonly held that companies are torn in various directions by a multitude of stakeholders and therefore need to be pragmatic and strategic in determining the legitimacy of stakeholders and CSR issues (Orlitzky et al. 2003). In the end, decisions such as these are made based on managerial values and discretion. Unsurprisingly, in this regard, stakeholders with legitimacy and urgency but limited power (‘dependent’ stakeholders) continue to find themselves overlooked and kept outside the circle of so-called ‘definitive’ stakeholders (e.g. shareholders, customers, employees) (Mitchell et al. 1997, Agle et al. 1999). Benn & Dunphy (2007) make the point that traditional stakeholder management approaches – premised on market fundamentalism and individualism – lack inclusiveness and do not meaningfully inform good governance especially as it relates to the management of power differences and risk. This may also explain calls to end the search for stakeholder priority and to move towards new laws and social contracts that spell out social and environmental criteria for companies’ licences to operate (Elkington & Fennell 1998, Banerjee 2001). This would help eliminate the problem of stakeholder exclusion based on managerial judgement and values.

Business at all cost is no longer socially acceptable (Welford 2008), and yet old ways of doing business are still alive and well. While companies like Alcoa have adopted successfully the language of enlightened self-interest and are recognised for their CSR performance (e.g. Reputex 2003), they continue to be in the spotlight for adverse community impacts.
(e.g. Flint 2007). In the face of growing pressure for changes to corporate law (Cavanagh & Mander 2004) and calls for a seemingly forgotten honesty that companies cannot be expected to be socially responsible (Reich 2008), proponents of dominant CSR theory continue to invest faith in their ability to change. Yet, we challenge this ability and willingness of companies to go beyond the parameters of economic efficiency and call for rigorous review and empirical testing of the assumptions underlying the dominant school of thought within the CSR field.

In Australia, future industry–community conflicts almost strike as a certainty. The industrialisation of rural areas in WA is intensifying in regions where human settlements coincide with areas of great resource richness, high biodiversity as well as social and cultural values (compare Beard et al. 2000, Sleeman Consulting & Goodall and Business and Resource Management 2004), providing much ammunition for friction between industries and their host communities. In this context, open public debate and the negotiation of new social contracts for industry–community relations may help determine the social acceptability of industry and the trade-offs associated with industrialisation and development.

While communities have the right not to be harmed by industry (Raffensperger & Tickner 1999), the onus of proof often rests with affected individuals. In this regard, shifting the onus of proof onto companies, especially in industries where much scientific uncertainty about impacts still remains, may help protect communities affected by industrial activities. This may also need to be accompanied by a stronger push for scientific competency in decision-making processes on the policing, governance and control of potentially harmful industries (Tickner 2003). In the end, however, despite recent amendments to corporate and environmental laws in Australia (Parliamentary Joint Committee on Corporations and Financial Services 2006, Frost 2007), far-reaching policy changes in the near future seem unlikely. This means that companies will need to continue navigating ‘discretionary’ ethical grey areas without needed legislative guidance. Unfortunately, it is our view that within this regulatory void dominant CSR theory is currently ill-equipped to provide a reliable moral compass.

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Notes

1. Implicated here are corporations in countries such as Australia and the United States, where shareholder interests are given first priority (Francis 1997 cited in Madsen & Ulhøi 2001, Farrar 2008). In Australia, the Corporations Act (2001) compels directors to have regard for the interests of stakeholders other than shareholders. Yet, the extent to which this fosters corporate practice beyond strategic, relational CSR is contentious.

2. A liquor burner is designed to remove organic matter from the caustic soda used in the production process of alumina, improving both the quality and the quantity of the product. However, the burning of organic material releases volatile organic compounds as well as carbon monoxide, sulphur dioxide and oxides of nitrogen. Only four liquor burners are known to be in operation in the industry world-wide, three of which are operated in WA.

3. The study underlying this paper involved participants from a variety of different stakeholder groups. However, due to space limitations, this paper draws primarily on data derived from interviews with community members and company staff.

4. The Yarloop community was deeply divided because it was not universally believed that Alcoa’s operation was impacting on the town or the health of local residents. In particular, more recent arrivals in town who were interviewed did not share the concerns of long-term residents and considered Alcoa unfairly targeted. However, an analysis of the variance between views held on the level of community and the contributing factors lies beyond the scope of this paper.

5. The community group ‘Community Alliance for Positive Solutions Inc.’ (CAPS), which has been campaigning against Alcoa for a number of years...
on grounds of health and community impacts, counts over 150 paid members (Community Alliance for Positive Solutions Inc. 2008). Moreover, even though this study does not lend itself to statistical analysis, it should be acknowledged that by mid June 2007, over 400 properties were registered under the WA state government’s supplementary property purchase programme (WA Legislative Council 2007). This programme enables residents who live outside Alcoa’s land management areas A and B to sell their properties to Alcoa under the administration of the Western Australian state government. For a community the size of Yarloop, this figure can be considered significant. Finally, the earlier mentioned class action underway involving over 140 claimants is also indicative of the level of community disquiet.

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<td>AUTHOR: Papers that have not yet been accepted for publication should not be included in the Reference List; they should be cited in the text as 'Brueckner and Ross, unpublished data'. Please update Reference Brueckner and Ross if it has now been published, use 'in press' (with journal title details, if appropriate) if it has been accepted for publication, or remove it from Reference List and change to 'Brueckner and Ross, unpublished data' in the text if it has not yet been accepted.</td>
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<td>Q9</td>
<td>AUTHOR: Please provide accessed year in Reference Business WA Today (2009).</td>
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<td>Q10</td>
<td>AUTHOR: Please provide accessed year in Reference Google (2007).</td>
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<td>Q11</td>
<td>AUTHOR: Please provide accessed year in Reference Innovest Strategic Value Advisors (2008).</td>
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<td>Q12</td>
<td>AUTHOR: Please provide page range for Reference Manton and Dortch (2003).</td>
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<td>Q13</td>
<td>AUTHOR: If this is not an one-page article, please provide first and last page for Reference Ortilsky (2005).</td>
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<td>Q14</td>
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<td>Q15</td>
<td>AUTHOR: Please provide accessed year in Reference Shire of Harvey (2007).</td>
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</table>
Dear Author,

During the copy-editing of your paper, the following queries arose. Please respond to these by marking up your proofs with the necessary changes/additions. Please write your answers clearly on the query sheet if there is insufficient space on the page proofs. If returning the proof by fax do not write too close to the paper's edge. Please remember that illegible mark-ups may delay publication.

<table>
<thead>
<tr>
<th>Query No.</th>
<th>Description</th>
<th>Author Response</th>
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<tr>
<td>Q16</td>
<td>Author: Figure 1 has been saved at a low resolution of 166 dpi. Please resupply at 600/300 dpi. Check required artwork specifications at <a href="http://authorservices.wiley.com/bauthor/illustration.asp">http://authorservices.wiley.com/bauthor/illustration.asp</a></td>
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</tbody>
</table>
USING E-ANNOTATION TOOLS FOR ELECTRONIC PROOF CORRECTION

Required Software
Adobe Acrobat Professional or Acrobat Reader (version 7.0 or above) is required to e-annotate PDFs. Acrobat 8 Reader is a free download: [http://www.adobe.com/products/acrobat/readstep2.html](http://www.adobe.com/products/acrobat/readstep2.html)

Once you have Acrobat Reader 8 on your PC and open the proof, you will see the Commenting Toolbar (if it does not appear automatically go to Tools>Commenting>Commenting Toolbar). The Commenting Toolbar looks like this:

**Note Tool** — For making notes at specific points in the text
Marks a point on the paper where a note or question needs to be addressed.

**Replacement text tool** — For deleting one word/section of text and replacing it
Strikes red line through text and opens up a replacement text box.

**Cross out text tool** — For deleting text when there is nothing to replace selection
 Strikes through text in a red line.

**Approved tool** — For approving a proof and that no corrections at all are required.
Highlight tool — For highlighting selection that should be changed to bold or italic.

Highlights text in yellow and opens up a text box.

**How to use it:**
1. Select Highlighter Tool from the commenting toolbar
2. Highlight the desired text
3. Add a note detailing the required change

Attach File Tool — For inserting large amounts of text or replacement figures as a file.

Inserts symbol and speech bubble where a file has been inserted.

**How to use it:**
1. Click on paperclip icon in the commenting toolbar
2. Click where you want to insert the attachment
3. Select the saved file from your PC/network
4. Select appearance of icon (paperclip, graph, attachment or tag) and close

Pencil tool — For circling parts of figures or making freeform marks

Creates freeform shapes with a pencil tool. Particularly with graphics within the proof it may be useful to use the Drawing Markups toolbar. These tools allow you to draw circles, lines and comment on these marks.

**How to use it:**
1. Select Tools > Drawing Markups > Pencil Tool
2. Draw with the cursor
3. Multiple pieces of pencil annotation can be grouped together
4. Once finished, move the cursor over the shape until an arrowhead appears and right click
5. Select Open Pop-Up Note and type in a details of required change
6. Click the X in the top right hand corner of the note box to close.

Help
For further information on how to annotate proofs click on the Help button to activate a list of instructions: