When Social Movements Close Institutional Voids: Triggers, Processes, and Consequences for Multinational Enterprises

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Abstract

Our research builds on existing literature examining institutional voids in emerging economies. Using data from two cases of mining FDI in Argentina, we conceptualize the triggers, processes and consequences of informal institution-building by a social movement. We found the cases to exhibit different 'community sustainability orientations', enabling two contrasting strategies, 'bargaining' and 'gatekeeping', to address the existing institutional void. This led to the development of new formal institutions – regulated CSR for the former and legal ban on mining operations for the latter case. Our study thus offers insights into the processes through which institutional entrepreneurship by social movements influences MNEs.

Keywords: Informal institutions, Institutional voids, Mining industry, Social movements, Argentina

1. Introduction

There has been a long-standing interest in international business (IB) in institutions, because institutions significantly influence the economic success of companies (Khanna, & Palepu, 1997). Initially, IB scholars studied the impact of formal institutions on company success; in time, interest also extended to informal institutions (Cantwell, Dunning, & Lundan, 2010). As firms internationalize, they increasingly encounter contexts where institutions are either weak or altogether absent, leading to the notions of institutional void and institutional uncertainty. An institutional void refers to a situation where institutional arrangements that support markets fail to accomplish their expected role through being either weak or completely absent

(Mair, & Marti, 2009), while institutional uncertainty describes a context where institutions are only weakly embedded (Phillips, Tracey, & Karra, 2009). As institutional voids disturb the functioning of markets, they provide an incentive for MNEs to engage in institutional entrepreneurship (Battilana, Leca, & Boxenbaum, 2009). The IB literature has thus studied under what conditions MNEs engage in 'rule following', 'rule affecting' or even 'rule changing' behaviour (Rana, & Sørensen, 2020).

A discussion of institutional voids and uncertainty is particularly appropriate in the context of emerging economies. On the one hand, many emerging economies have opened their markets during the last few decades, resulting in unprecedented inflows of investments. On the other hand, institutions in emerging economies often differ from those in developed economies in significant ways (Peng, Wang, & Jiang, 2008). Regulatory institutions in emerging economies often suffer from political uncertainties, a lack of transparency and ineffective enforcement of regulations. The institutional context in many emerging economies is thus more uncertain and unpredictable than that of developed economies, constituting a more severe source of risk for MNEs (Zhu, & Sardana, 2020). These characteristics of the institutional context have again invited attention to attempts, in particular by MNEs, to close institutional voids through institutional entrepreneurship (Khanna, Palepu, & Sinha, 2005).

As institutional entrepreneurship alters the distribution of value among stakeholders (Coff, 1999), MNEs are not the only actors seeking to fill institutional voids. Prior literature has examined institutional entrepreneurship by MNEs themselves (Khanna, et al., 2005) as well as by national governments (Child, Lu, & Tsai, 2007). Given that institutional voids are manifestations of dysfunctional institutional systems, another stakeholder that often attempts to address them are civil society organizations, like social movements or non-governmental

organization (NGOs) (Doh, Rodrigues, Saka-Helmhout, & Makhija, 2017). Institutional entrepreneurship by civil society organizations to close institutional voids is likely to significantly influence the value generation and distribution activities by MNEs (Teegen, Doh, & Vachani, 2004). We thus extend the focus in the IB literature on institutional voids and uncertainty by shifting the focus to the question of how institutional voids affect MNEs – where the substitution of voids with informal or formal institutions is undertaken not by the MNE, but rather by a social movement. Thus, we attempted to answer the following research questions:

> *How does institutional entrepreneurship by a social movement attempting to close institutional voids affect MNE activities?*
> *What mechanisms can social movements use in this form of institutional entrepreneurship?*

Previous research has investigated how MNEs (Doh, et al., 2017; Puffer, McCarthy, & Boisot, 2010) and communities (Mair, & Marti, 2009) engage in institutional entrepreneurship to build informal institutions in response to institutional voids. Informal institutions can close pre-existing formal institutional voids (Khanna, & Palepu, 1997); yet, they may also exacerbate the voids and further undermine formal institutions (Onuklu, Darendeli, & Genc, 2021). In practice, MNE entry can also create institutional voids, for instance by undermining existing informal institutions (Brandl, Moore, Meyer, & Doh, 2021) or exposing the inadequacy of formal institutions to monitor and regulate the impacts of MNEs in communities (Becker-Ritterspach, Simbeck, & El Ebrashi, 2019). IB studies suggest that MNE responses to these self-induced voids are again discretionary and range from filling the void with CSR projects to taking advantage of them to reduce costs (Doh, et al., 2017). In this

process, IB literature has paid little attention to social movements engaging in institutional entrepreneurship to address voids in the regulation of MNEs[1]. In particular, we do not fully understand what mechanisms social movements can use to build informal institutions, what the antecedents of these are and what consequences they can have for MNEs.

We selected the mining industry in Argentina as empirical setting to investigate our research questions. Our choice of Argentina was influenced by the fact that the country possesses rich reserves of mineral resources. Since it liberalized its investment regime, the country has seen a significant rise in foreign direct investment (FDI) in the mining sector; yet, mining projects have often been strongly opposed by social movements on environmental and moral grounds (Mutti, Yakovleva, Vazquez-Brust, & Di Marco, 2012). More specifically, we discuss two contrasting cases of mining investment that operate in a void in formal institutions. In both cases, a mining MNE moves in to exploit commercial opportunities, the MNE's presence is met with unrest, and a social movement – the same movement in both cases – tries to mobilize the local community against the MNE. In one case it succeeds: eventually new formal institutions emerge that lead to mining becoming banned throughout the entire province. In the other case, the mining project goes on unabated; the only success the social movement has is in getting the MNE to commit to greater CSR expenditure than the company originally planned.

As a theoretical contribution to the IB literature, we develop how a social movement can act to remedy institutional voids in emerging markets by engaging in institutional

[1] In addition to IB, the relationship between mining MNEs and social movements has also been discussed in political ecology, geography and development studies. Often starting from a perspective of class and ethnic struggles (Joan, Kallis, Veuthey, Walter, & Temper, 2010), these literature bodies document that social activism against human rights abuses and negative environmental impacts of mining are widespread (Gilberthorpe & Hilson, 2016; O'Faircheallaigh & Ali, 2008). However, this literature tends not to engage with institutional aspects.

entrepreneurship to reduce institutional uncertainty at sub-national, rather than national level, through the generation of a new informal institution in the local community. We call this institution 'community sustainability orientation' (CSO), defined as the generalized manner in which a community evaluates trade-offs between economic activity and environmental and societal issues. We show that the crucial difference between our two cases lies in the fact that in the case where the MNE was forced to exit, the social movement had managed to generate a CSO that allowed for a convergence of values and aspirations between the social movement and the local community. This informal institution was not only undergirded by strong collective emotions and a memory of prior successful mobilization against an MNE, it was also cohesive, in that assessment of trade-offs around mining led the local community to consistently (and tenaciously) reject any such trade-off. As our data show, where this informal institution is cohesive, a local community can successfully withdraw resources from the MNE, forcing its exit, with the social movement acting as community gatekeeper. Where the CSO remains fragmented, the community can at best use the social movement as a bargaining tool to extract additional commitments from the MNE.

The remainder of this paper is structured as follows. The next section reviews prior literature on institutions, institutional voids and institutional uncertainty, including the role of social movements in institutionalization processes. Thereafter, the section on research design outlines our choices of research setting, data collection and analysis processes as well as the steps we took to safeguard the rigour of our qualitative research. Then, the findings section reports our main findings on the social movement's institutional entrepreneurship, including its consequences for the MNEs. The discussion section then articulates the key aspects of our model, our contribution to the IB literature as well as managerial implications. We comment on limitations and avenues for future research, before concluding our paper.

2. Theoretical positioning

2.1. Institutions, informal institutions, institutional voids and institutional uncertainty

In recent years, the IB literature has shown a growing interest in institutions, and the importance of being able to navigate through the rules and regulations of a host country for the success of an MNEs is today largely accepted (Cantwell, et al., 2010; Peng, Sun, Pinkham, & Chen, 2009). For our purposes, we follow North's (1994, p. 360) definition of institutions as "humanly devised constraints that structure human interaction. They are made up of formal constraints (e.g., rules, laws, constitutions), informal constraints (e.g., norms of behavior, conventions, self-imposed codes of conduct)" (see also North, 1990). As Boddewyn and Peng (2021, p. 2) argue: "In theory, scholars acknowledge that it is the *combination* of formal and informal institutions in various home and host countries" that matters in IB; however: "In practice, formal institutions have commanded significantly more research attention, resulting in an imbalance within the institution-based view. Thus, it appears imperative that our understanding of the role of *informal* institutions be enhanced."

Furthermore, IB literature has drawn attention to institutional voids, "situations where institutional arrangements that support markets are absent, weak, or fail to accomplish the role expected of them" (Mair, & Marti, 2009, p. 422). Institutional voids hinder market from functioning, for example, due to a lack of specialized intermediaries on which MNEs usually rely to navigate host markets for goods, services, capital or talent (Ricart, Enright, Ghemawat, Hart, & Khanna, 2004). Such voids may prevent particular categories of actors from accessing these markets, thus opening up opportunities for others (Mair, & Marti, 2009). The concept of

an institutional void has been popularized in particular by the work of Khanna and Palepu (Khanna, & Palepu, 1997; Khanna, et al., 2005) who identified a range of strategies MNEs can use to engage with institutional voids.

A related concept is that of institutional uncertainty, which describes a situation where institutions are only weakly embedded; in particular, where under frequent or radical institutional change economic actors may no longer be certain about the fit between the institution and their economic activity (Bylund, & McCaffrey, 2017). Firms can again deal with institutional uncertainty through institutional entrepreneurship, by engaging in legitimacy-building strategies, such as copying accepted business models of domestic firms, co-opting regulators, engaging in charity as directed by important officials or perhaps even attempting to create novel norms and standards for their industry (Ahlstrom, Bruton, & Yeh, 2008).

Emerging economies often differ from developed economies in the quality of their institutions (Peng, et al., 2008). The institutional environment in emerging economies is often under-developed; there may be significant political turbulence with governments introducing measures, like exchange controls, local content regulation or even nationalization of foreign enterprises (Iankova, & Katz, 2003). The institutional context in many emerging economies is thus more uncertain and unpredictable than that of developed economies (Zhu, & Sardana, 2020). Such contexts necessitate a greater reliance on informal institutions, like networks and relationships with key social actors, such as joint-venture partners but also government officials, to remedy the uncertainty arising from the formal institutions (Dang, Jasovska, & Rammal, 2020).

Phillips, et al. (2009) summarize recent work on the intersection of institutional theory and IB by suggesting three ways in which IB could benefit from recent developments in institutional theory: 1) a concern with institutional uncertainty: while many institutions are strongly entrenched in society, many others are only weakly embedded, 2) a consideration of levels other than the national one at which institutional pressures operate: indeed, the national level "is often not the most appropriate level of analysis" (Phillips, et al., 2009, p. 342), and 3) institutional entrepreneurship, i.e. the skills and capabilities organizational actors can use to bring about institutional change: rather than just reacting to an institutional context, MNEs can actually actively change it.

2.2. Institutional voids and institutional entrepreneurship

Institutional voids invite approaches to institutions that – rather than considering institutions as background conditions that constrain actors (e.g. DiMaggio, & Powell, 1983) – convey a dynamic perspective where social actors consciously seek to change institutional arrangements through engaging in institutional entrepreneurship (Doh, et al., 2017). Institutional entrepreneurs have been defined as "organized actors with sufficient resources [who see in institutions] an opportunity to realize interests that they value highly" (DiMaggio, 1988, p. 14). In addition to being subject to an 'institutional push', where government authorities initiate formal institutions to support and regulate the business environment (Peng, 2003), firms may engage in 'institutional pull', whereby they pursue their own interests by putting pressure on government authorities to create formal institutions (Puffer, & McCarthy, 2007).

Managing institutional voids through institutional entrepreneurship can give competitive advantages to those firms, domestic as much as multinational ones, that have the skills and resources to address them. Institutional entrepreneurs have thus been able to harness benefits from institutional change, such as being first-mover in the adoption of a radically new technology (Munir, & Phillips, 2005). Hence, there is an extensive discussion in the IB literature of how firms can address institutional voids. Khanna and colleagues (Khanna, & Palepu, 1997; Khanna, et al., 2005) sketched three basic strategies: (a) adapting their business model to local conditions, (b) changing the institutional context, or (3) avoiding investment in the country altogether. Given often weaker institutions, opportunities for institutional entrepreneurship open up particularly in emerging economies (Koch, 2020). Prior literature has shown that MNEs operating in these economies often pursue either a low involvement strategy, where firms dedicate limited resources to addressing a narrow set of political objectives, or a high involvement strategy, where they build a dense network of contacts with government, business and public partners (Dang, et al., 2020; Iankova, & Katz, 2003). In doing so, corporate objectives to increase legitimacy increasingly become intertwined with efforts to meet social objectives, such as providing education or infrastructure (Koch, 2020).

The main emphasis in the literature has again been on voids in formal institutions, on the absence or underdevelopment of regulatory institutions, such as capital markets (Kim, & Song, 2017) or intellectual property rights protection (Brandl, Darendeli, & Mudambi, 2019). By contrast, studies into institutional voids associated with more informal institutions are rarer. For example, Rivera-Santos, Rufin and Kolk (2012) explain how in subsistence markets, where resource and institutional constraints are severe, cross-sector partnerships can become an important means to deliver positive social impact. Onuklu et al. (2021) observe four mechanisms of interaction between subnational informal institutions and national formal

institutions, depending on the extent to which the expectations of formal and informal institutions diverge and the extent to which formal and informal institutions interact: substitution, bridging, competing and sabotaging. Overall, there is a growing discussion particularly of substitution strategies, of how firms may substitute formal institutions (Doh, et al., 2017). Initially, this debate centred around substituting formal by informal institutions, for example, on how informal institutions like 'blat' in Russia or 'guanxi' in China may substitute for a lack of formal institutions protecting private property (Puffer, et al., 2010). More recently, the literature has taken a wider perspective, where a range of voids, from formal to informal, can be substituted with a range of institutions, again from formal to informal ones (Koch, 2020).

2.3. Institutional uncertainty and social movements

Corporate attempts to address institutional voids, even if undertaken in collaboration with governments, do not necessarily lead to public good; indeed, MNEs have been accused of taking advantage of flawed institutional systems to steer even their corporate social responsibility (CSR) expressions in directions that are primarily symbolic and legitimacy oriented (Idemudia, 2009; Keig, Brouthers, & Marshall, 2015). Yet, an institutional voids perspective also invites attention to a wider range of institutional effects on firms, not least non-market effects in addition to market ones. Under conditions of institutional voids, it is often social movements who take on the task of defending the interests of the local host-country population (Vasi, & King, 2012); social movements have increasingly played the role of institutional entrepreneur to shape the rules, norms and practices of international business (Doh, & Teegen, 2002).

A social movement has been defined as "a network of informal interactions between a plurality of individuals, groups and/or organizations, engaged in political or cultural conflict, on the basis of shared collective identities" (Diani, 1992, p. 13). The *modus operandi* of a social movement is an indirect one; rather than pushing for political power itself, it aims "to create the public force […] to push the policy maker toward instantiating the ideals" of the movement (Schepers, 2006, p. 283). We distinguish between social movements, such as the civil rights or women's rights movement, and non-governmental organizations (NGOs), like Amnesty International or the World Wildlife Fund. The latter tend have a formal organizational structure, clearly stated aims and a relatively stable access to resources (Chowdhury, Kourula, & Siltaoja, 2021). At the same time, we see social movements as being embedded in – but distinct from – wider civil society, in our case the respective local communities (Rana & Sørensen, 2020).

At times, social movements engage in collaboration with MNEs, aiding institutional development in a host country (Zhu, Sun, & Huang, 2021). More typically, however, social movements pursue an adversarial approach, in particular in cases where MNE operations are seen as transferring environmentally damaging activities to countries with less stringent regulation (Calvano, 2008; Daudigeos, Roulet, & Valiorgue, 2020). By adopting a variety of tactics and strategies, social movements can not only disrupt an MNE's operations but – potentially more importantly – can also influence the perception of corporate practices held by key stakeholders, including governments, thus increasing political risk for multinationals (Shapiro, Hobdari, & Oh, 2018).

For example, Kelling, Sauer, Gold and Seuring (2020) detail institutional pressures around social sustainability in the mining industry of South Africa. At national level, there is strong

institutional pressure to coerce firms to comply with the Social and Labour Plan stipulated by the South African government. Institutional uncertainty is introduced through a range of drivers, such as corruption or limited governmental capacity to check compliance, which allows for mining companies' gradual decoupling from the institution. This is counter-acted again by institutional entrepreneurship by non-profit actors who push companies to maintain their compliance with the institution. In this case, there is a relatively stable institution at the national level and institutional uncertainty at the sub-national level that is counter-acted by powerful societal actors.

However, less well understood are the implications for MNE success where a social movement – under conditions of a strong institution at the national level, but an institutional void at sub-national level – begins to mobilize against the MNE by attempting to create an informal institution to close the institutional void. In other words, we focus in our paper on the substitution of a void in a formal institution by an informal institution that is undertaken not by an MNE, but by a social movement. Such a focus is needed to complement the focus more often taken in IB on institutional entrepreneurship by an MNE.

3. Data and research methods

3.1. Research setting and case selection

Research on the international mining industry offers an opportunity to examine the complex political and institutional context experienced by MNEs as firms pursue resource-seeking strategies, which often take them into emerging markets (Shapiro, et al., 2018). It allows us to explore the importance of local context and local institutions beyond national government

influences, as mining MNEs normally operate in rural areas. Mining MNEs also frequently face opposition from local communities (Maher, Monciardini, & Böhm, 2021); hence, it is a suitable sector to examine corporate-social movement relations and influences of informal institutions at a local level.

Our two cases of international mining projects are located in Argentina, a relatively new FDI destination after the country reformed its Mining Code and liberalized foreign investment in 1993 (Mutti, et al., 2012; SAIJ, 2020). Nowadays, the Argentine mining sector is highly internationalized; 85% of mineral production is controlled by foreign multinationals, chiefly Canadian, Australian, British and Swiss firms. The industry directly employs 80,700 people and offers indirect employment to further 236,000 people (CIMA, 2020). It has, however, also come under criticism from anti-mining movements over its social and environmental externalities (Mutti, et al., 2012).

We study two high-profile cases of mining projects in different provinces that have undergone divergent trajectories, one was the most profitable mining enterprise in the country and the second was a famous abandonment of operations that gave momentum to a country-wide anti-mining social movement called *No a la Mina* (see Table 1 for case details). The first case, the mine project Bajo de la Alumbrera, operated near Andalgalá town in Catamarca province since 1997 and successfully completed its operations in 2018. It was a joint venture between Argentine YMAD and three international companies, Swiss mining giant Xstrata (which later merged with fellow Swiss company Glencore) and two Canadian companies, GoldCorp and Yamana Gold. The second case, the mine project El Desquite, was located near Esquel town in Chubut province, where American firm Meridian Gold attempted to develop a gold mine from 2002. Before the mine could reach the exploitation stage, the project was halted due to a

court order, after a town referendum against the mine. Following civil unrest, open-cast metal mining became banned in Chubut province, which led to successive bans in other provinces throughout Argentina. Though similar at the starting point – not least the national government had approved both investments – the cases ended in opposite outcomes.

During the period when these mining MNEs entered Argentina, the country experienced a deep economic and political crisis. In 2001, 17.7% of the population were in poverty, with unemployment standing at 21.5%. In Chubut, 15.5% of the population were in poverty and 19.5% unemployed, compared with Catamarca where 21.5% were in poverty and 22.9% unemployed. The crisis levelled out differences between the provinces in income levels ($837 in Chubut and $781 in Catamarca), which is also visible in their Human Development Index scores (0.818 for Chubut and 0.808 for Catamarca). When comparing municipalities, the differences were even smaller: poverty stood at 22% in Andalgalá and 20% in Esquel, while unemployment in Esquel at 25% was higher than in Andalgalá at 23.5% (UNDP, 2009; SIEMPRO, 2001; IDE, 2002; Walter, 2008; DNAP, 2001).

[insert Table 1 about here]

3.2. Research design

We chose to undertake a qualitative study, as existing theory does not adequately explain the divergent outcomes of the relationships between social movements and (mining) MNEs. Furthermore, there is little quantitative data available on social movement opposition to mining MNEs in Argentina that could capture the mechanisms through which it influences firms. Our research design applies interpretive theory-building; it aims to improve the

understanding of phenomena, develop narratives, insights and explanations of events, "so that the system of interpretations and meaning, and the structuring and organizing processes, are revealed" (Gioia, & Pitre, 1990, p. 590).

The data were collected and analysed through several steps in an iterative process using the framework developed by Gioia and colleagues (Gioia, Corley, & Hamilton, 2013; Gioia, & Pitre, 1990). The research process started (Step 1) with informal meetings with mining companies and policy makers in Argentina's capital Buenos Aires. Respondents consistently mentioned Esquel and Andalgalá as paradigmatic cases. Hence, we decided to make these two cases central to our data collection and commenced fieldwork at these two mining sites (Step 2). As we began to appreciate the complexity of the topic, we widened the focus of data collection to include a larger range of actors around mining communities (Step 3). Thereafter, we transcribed and translated the interview material and started sorting the textual data (Step 4). We proceeded to code primary data and generated *a priori* and emergent codes (Step 5). As interpretive theory-building is based on induction, we departed from our original conceptualizations, such as 'sustainability', 'corporate social responsibility' and 'conflict', towards an inductive theme on 'community sustainability orientation' that emerged from the data. Two researchers, who had not participated in the data collection, proposed additional conceptual lenses for data analysis. Thus, we re-coded the data for selected themes following selective coding (Step 6). At this stage, tentative conjectures were confirmed or disconfirmed by re-coding and further consultation with respondents and secondary data. Thereafter, we wrote up the findings for selected themes (Step 7). Finally, we organized focus group sessions to provide feedback to key informants (Step 8). These workshops also allowed us to firm up tentative conjectures we had derived from the data. Throughout the process, interpretive analysis was iterative and non-linear, with data collection and data analysis being intertwined.

3.3. Data collection

Data for the two cases were generated through three types of sources: 1) semi-structured interviews, 2) public meetings and multi-stakeholder workshops and 3) secondary data (see Table 2 for details). In total, 108 semi-structured interviews with 85 interviewees were conducted (with 7 interviees interviewed twice or more) in two periods: 2008-2010 and 2011-2016. Initially, interviewees were approached using stakeholder mapping based on a review of secondary literature. Subsequent interviewees were contacted using snowball sampling, which is appropriate for sensitive cases when respondents trust researchers upon recommendation (see Villo, Halme, & Ritvala, 2020). Three sectors of society were captured in the study: mining industry (43 interviews with mining industry executives, managers and employees, mining consultants and industry associations), civil society actors (43 interviews with non-governmental organizations, members and supporters of the anti-mining social movement, academics, local community members and the Catholic church) and government (22 interviews with national, provincial and local government officials).

[insert Table 2 about here]

The semi-structured interviews used a schedule of questions with a funnel model (Mandel, 1974), starting with general questions and moving on to more specific ones (see Appendix 1). Opening questions aimed to elicit views on sustainability in mining, and impacts and benefits for MNEs and local communities. Depending on the interviewee, subsequent questions focused on social and environmental externalities, corporate-community relations, conflict and solutions. Follow-up interviews sought to gather additional insights on specific themes.

To achieve consistency in data collection, all interviews were conducted in Spanish by the same two researchers and recorded digitally. Where permission for recording was not granted, hand-written notes were taken. Interviews were transcribed verbatim and professionally translated into English. The corpus of transcripts and notes amounted to 991 pages of English text. A native Spanish speaker inspected all English transcripts for consistency of translation and later was able to check the original Spanish transcripts to avoid errors in interpretation (see Outila, Piekkari, & Mihailova, 2019).

A second data source was participation in 22 public meetings relating to mining MNEs or *No a la Mina* as well as the organization of 3 multi-stakeholder workshops by researchers between 2008 and 2016. The researcher-led workshops attracted 30-40 participants from government, industry and NGOs familiar with both cases to discuss mining and sustainability issues. Meetings and workshops provided an opportunity for learning about the cases and for gaining feedback on recent developments, resulting in audio files and notes amounting to 75 pages of text. The third data source is secondary data, which includes newspapers, webpages, videos, corporate reports and archival material. For instance, archival material (not available online) included 350 headlines relating to *No a la Mina*, El Desquite and Bajo de la Alumbrera, local newspapers in Esquel and Andalgalá (2000-2003), e-mails exchanged between the Secretary of Mining of Chubut province and citizens of Esquel in relation to Meridian Gold (2000 to 2005) and Bajo de la Alumbrera environmental audits (2000-2007).

In the presentation of results, individual interviewees are anonymized through the use of participant identifier codes (for a comparable procedure, see Sarabi, 2020). A letter of the alphabet and a number are used to indicate data sources. M01 to M43 are used for mining industry actors, G01 to G22 for government officials and C01 to C43 for community actors;

W01 to W3 for workshops, S01 to S38 online testimonials, O indicates observation and PM01 to PM22 denotes public meetings.

3.4. Data analysis

We followed an interpretive theory-building process, commonly known as Gioia method (Gioia, et al., 2013; Gioia, & Pitre, 1990). First, we conducted an open coding of interview transcripts, notes and speeches at public meetings. We generated emergent, inductive codes arising from the data as well as *a priori* codes linked to existing literature, for instance to the concepts 'stakeholder' or 'corporate social responsibility'. We then reduced raw data codes by grouping them into first-order codes and later into themes focusing on the explanation of phenomena and linkages between categories and concepts. Not all codes are used for this paper. For example, we had developed 120 first-order codes on 'community sustainability orientation', covering a wide range of areas, such as tensions between economic and environmental aspects, commoditization of nature or alignment of community stakeholders towards a common goal. First-order codes were later grouped into broader inductive themes using "researcher-centric concepts" (Gioia, et al., 2013, p. 18).

To revise our tentative theorising, we returned to the data to examine if reformulated research questions can be answered, and if we can find explanations, evidence and support for the emerging concepts and mechanisms. Thus, we engaged in selective coding of primary and secondary data around specific concepts and took additional notes on secondary data (see Figure 1 for our coding scheme; see Appendix 2 for an extract from the coding scheme). Information from multi-stakeholder workshops was used to check the viability of our emergent concepts and to add new directions to data examination. Finally, secondary and

archival data (news articles, videos and reports) were used as a point of reference for developing storylines, to confirm facts and explanations and to test narratives and storylines. During this process, explanations of phenomena and underlying mechanisms and relations remained tentative. We then reaffirmed support for our evolving thinking by going back to the primary and secondary data. This final step allowed us to achieve a stabilization of categories, conceptualizations and theorizing.

[insert Figure 1 about here]

3.5. Rigour in qualitative research

Following recent advice on qualitative research in IB (Gligor, Esmark, & Gölgeci, 2016; Welch, & Piekkari, 2017), we took several measures to safeguard the rigour of our research. First, we collected data from *multiple sources of evidence*, comprising interviews, secondary data and data collected during public meetings, including of the social movement *No a la Mina* and researcher-led multi-stakeholder workshops (see Table 2). As Bansal and Corley (2011, p. 236) suggest, qualitative researchers should be transparent on "how they engaged deeply with a phenomenon and show the evidence for their conclusions." Secondly, we took great care to establish a database for each case, which contained interview transcripts and notes, secondary documents, reports, videos and other materials. We used NVivo 10 and 11 to ensure the *transparency of our coding*. Thirdly, we stayed in *prolonged contact* with key actors, covering a period from 2008 to 2016 to gain updates on progress in the two cases. When we wrote up our findings, we aimed to generate a complex understanding, e.g. capturing not only what happened (i.e., describing choices made by organizational actors), but also how (i.e., emphasising multiple understandings of events that actors had developed).

Fourthly, we use different types of *triangulation* to increase the rigour of our qualitative research (Eden, & Nielsen, 2020). Investigator triangulation was applied when several researchers were reading and coding the data and checking for stability of the codes. Data triangulation was applied where evidence found in semi-structured interviews was corroborated by secondary data. The trustworthiness of our research process benefitted from having multiple researchers in the team: two native Argentinian researchers were able to understand the data in their national context and check meaning across English and Spanish transcripts. Other researchers offered a counterpoint for explanations of the phenomena. Finally, we practiced an *iterative process* of circling between data, existing literature and emerging constructs, as we went back to the data to check for support for emerging categories and constructs.

4. Findings

We structure the presentation of our findings around the stages of the social movement's institutional entrepreneurship we identified during the data analysis. These stages are (1) the identification of a void in formal institutions at regional level, which acts as a trigger for institutional entrepreneurship by the social movement, (2) the processes through which the institutional entrepreneurship by the social movement succeeds in one case but not the other and (3) the closure (or not) of the institutional void through the creation of new formal institutions. Together these stages explain how institutional entrepreneurship by a radical social movement (rather than the more typical case of an MNE) can succeed and what consequences it can have for the operations of MNEs.

4.1. Emerging perceptions of an institutional void

As a first theme, our data showed similarities and differences between the two cases in terms of triggers for the social movement to undertake institutional entrepreneurship. In both cases, the MNE had engaged extensively with national government representatives before commencing local operations. Indeed, the national government had changed the mining code to allow foreign investment in the sector and actively promoted opportunities for multinational mining companies in global fora, such as the World Economic Forum at Davos. The new mining code was seen as an improvement in terms of environmental regulation, enhancing the role of provincial authories in monitoring and enforcement:

> The Mining Code was a considerable improvement at the time, and I would say that it was up to international standards in terms of environmental prescriptions and controls. I remember the Secretary of Mining saying they want to attract companies that were paragons of good practice with competitive royalties but strict controls. There was no "license to pollute". (C01-World Bank).

In terms of institutional theory, the two companies could thus assume to operate under a formal institution at national level; however, at local level matters developed in a different direction. Catamarca province has some history of metal mining, although not of the scale of the Bajo de la Alumbrera project. When this project started, many residents of Andalgalá were well aware that existing institutional arrangements around mining showed clear weaknesses, in particular with regard to the enforcement of regulations:

> I recommend paying a visit to the laboratories in the Secretary of Mining responsible for testing the effluents. They have some nice equipment, a donation by the mining company; but the company takes its own samples when it suits them and the local ordinance requires that controls at the mine have to be coordinated with the mine with at least a week's notice. (C40-Autoconvocados, Andalgalá).

In other words, local community members quickly perceived there to be an institutional void around the arrangements that were to control the activities of the mining MNE. They pointed to a lack of discussion with the community on the choice of technology used in mining operations and associated environmental impacts as well as an absence of effective mechanisms to reduce environmental externalities, such as the use of scarce local water resources, and social externalities, like impacts on human health. There was also concern over the allocation of responsibilities for environmental enforcement to the Provincial Secretary of Mining, contrary to other sectors that are regulated by the Secretary of the Environment.

The starting point was initially different in Esquel, but quickly moved in a comparable direction. As the town had no prior experience of mining and its social and environmental externalities, local residents did not have any pre-existing awareness of the externalities of mining and some even looked forward to improved employment opportunities. However, the implications of mining suddenly became clear to residents when chemical company DuPont announced a public hearing for the delivery of cyanide to the mine, as required by Argentinean legislation for the transportation of hazardous substances. Distrust grew further when the mining company refused to comment on their intended use of cyanide, arguing their processes were confidential. Refusal by both mining company and provincial government to discuss technical details and to engage with critics of the mine buttressed perceptions of

institutional uncertainty around the operations of the mining company. Thus, in Esquel too local community members began to discern an institutional void around the planned operations of the mining MNE.

Crucially, however, in Esquel this distrust reached another dimension as it was not only the MNE and its managers that were seen to be untrustworthy but also their political backers in the regional government. Additional key players, such as the Chamber of Tourism and the Chamber of Agricultural Producers, also opposed mining. Catholic priests in the city of Esquel did not take sides, but the bishop of the province warned that defenceless communities should not be exposed to any activity that has not been unequivocally proven to be safe. The provincial government soon was the only source of institutional support for mining, and institutional uncertainty further increased:

> Who was going to control the use of cyanide? I ask you, can you tell me? The company, who says that cyanide cannot be discussed because of business confidentiality, but says: it will all be OK, no worries…? The local authority, which would not be able to detect cyanide if they had it spilled in their drinks? The governor, who was already counting his share? You know what they [the authorities] would have done? They would have asked for some more money and get a pawn to write a report and agreed with the industry to introduce some useless CSR code that nobody enforces and we would have had spill after spill. (C18-Medical Worker and High School Teacher, Esquel).

As our first theme of the findings, in both locations the local communities started out with no particular preconception of the proposed MNE activities. In both cases, however, perceptions

of an institutional void began to emerge. In Andalgalá, this focussed on insufficient protection against harm to human health. Given familiarity with mining, local-level institutional arrangements were certainly perceived as "fail[ing] to accomplish the role expected of them" (Mair, & Marti, 2009, p. 422); yet, the MNE operations became seen as *déjà vu*. Public opinion of the mining MNE in Esquel was more positive in the beginning. Here perceptions of an institutional void only emerged when the mining company exposed institutional uncertainty as it refused to discuss details of the planned operations with members of the public. By contrast to Catamarca, however, the void took on the character of more systemic institutional uncertainty as distrust encompassed also the political supporters of the MNE in regional government (see Appendix 3 for exemplary quotes).

The emerging perceptions of an institutional void and corresponding uncertainties led to the emergence and spread of a social movement against the mines. The social movement began to engage in extensive institutional entrepreneurship to build an informal institution to substitute the formal institutional void and reduce institutional uncertainty. Such an institution was meant to facilitate both a coherent and reliable assesment of the externalities generated by the MNE and collectively generated strategies to deal with these externalities. Considering the above analysis, we offer the following propositions:

> *Proposition 1: The entry of an MNE has the propensity to bring to light institutional voids and institutional uncertainties.*
>
> *Proposition 2: The discovery of voids and uncertainties triggers institutional entrepreneurship by a social movement aimed at building informal institutions to facilitate the evaluation of externalities and proposed solutions in order to reduce these voids and uncertainties.*

4.1.2. Memories of prior institutional entrepreneurship against MNEs

Our data further point to the importance of collective memories of prior institutional entrepreneurship against MNEs. This was clearly relevant for the institutional entrepreneurship process in Esquel, where there was another, fairly recent local incident of defending local public interest against environmentally controversial ventures. In the 1980s, communities in Chubut province (where Esquel is located) had successfully fought off an attempt to open a nuclear waste site in the town of Gastre. While these were very different operations planned by different MNEs, local community members in Esquel perceived similarities between Gastre and El Desquite. Both projects involved significant environmental and health risks. In both cases, the government backed the projects, downplaying environmental and social externalities and emphasising short-term economic benefits. The salience of collective memories of this earlier struggle against environmental hazards renewed environmental consciousness in Chubut province. This was evident in frequent references to Gastre among local residents and activists:

> 'No to the mine' in Esquel is the son of 'No to nuclear waste' in Gastre [..]. Chubut has an environmental consciousness that is mature and triumphant and that has impregnated almost 25 years of fight and resistance. (El extremo sur de Patagonia, local newspaper).

By framing El Desquite as a new Gastre, fears about cyanide use activated collective memories of business irresponsibility as well as latent community capabilities to generate their own knowledge and to mobilize resources. Indeed, an important consequence of the

salience of the memories of Gastre was its influence on providing templates for proposed solutions. These are evident in organising routines, e.g. using self-convening popular assemblies, as well as strategies, such as 'No negotiation, no compromise', and slogans, like 'Yes to life, No to nuclear waste' (see Appendix 5 for examplary quotes). In Esquel, the anti-mining movement could credibly position itself as successor to those who had fought against the nuclear waste site in the 1980s. The lack of transparency on the part of those promoting the mine amplified an earlier feeling of lack of trust in those who had promoted nuclear waste. Hence, it triggered again the bottom-up 'us' versus 'them' identification process that had emerged in the 1980s. Again, local opinion quickly and forcefully converged in the evaluation of externalties and the stance towards MNE activities.

In Catamarca, there was no such memory of earlier institutional entrepreneurship against a major environmental hazard. There were neither collective memories of business irresponsibility, nor of any latent community capabilities to tap into. As a consequence, although the social movement, after its successful institutional entrepreneurship in Esquel, tried to 'export' organizing routines, strategies and slogans to Andalgalá, these failed, because their alignment with the particularities of the mobilization process in Esquel did not resonate with that of Andalgalá.

In sum, our data show that, in Esquel, collective memories of communities forcing the exit of a multinational significantly contributed to the sucesss of the social movement's institutional enterpreneurship to substitute the formal void with an informal institution aligned with its own objectives. More generally, we propose:

Proposition 3: Collective memory of earlier successful mobilization enhances the likelihood of social movements triggering the construction of informal institutions to evaluate externalities.

4.2. The process of building informal institutions

As the institutional entrepreneurship by the social movement to build the informal institution unfolded, more differences followed concerning two inter-related aspects, namely (1) how the local community came to evaluate the externalities of mining that were highlighted by the social movement, and (2) what the nature of the emotions was that prevailed collectively in the local community with regard to the MNE. Both aspects influenced the cohesion of the emerging institution, with cohesion defined as homogeneity among members in terms of how to assess information and act upon it.

4.2.1. Evaluating externalities

It emerges from our data that local community views in Catamarca on what to expect of mining were never cohesive. An employee of the mining company described attitudes to mining in Andalgalá as follows:

> I believe that part of the community say yes, another part of the community say no. […] That generates a break within the *Autoconvocado*s. Those who are aggressive and those who are not aggressive. And that is the division we have. (M09-Alumbrera).

Opinions voiced in the local community differed in particular with regard to evaluating the externalities of mining. Some members put forward a radical perspective that mining could never be sustainable, often advocating care for nature as a matter of principle; whereas others focussed on the economic benefits that mining activities can bring to the local community. Likewise, the local community remained fragmented with regard to potential solutions. Some community members expressed the view that mining had to be resisted as a matter of principle and aimed to ban all MNE activity, while others advocated changes to regulation to increase benefits for local communities. In neither aspect, the evaluation of externalities and the proposed solutions, was there a dominant position in the local community. Similarly, while some distrusted the assessment of experts and provincial authorities, many trusted in the local government and other institutions, such as the Catholic church, that firmly endorsed the MNE.

By contrast, public opinion in Esquel congealed quickly around mistrust in the mining company and its political backers in the provincial government. The fact that residents learned about cyanide use through DuPont – rather than the mining company or the provincial government – nurtured perceptions of high levels of institutional uncertainty, the recognition that neither the company nor the government can be trusted to protect the interests of the local community in the face of mining externalities. The public opinion in Esquel was described by a former local council member as follows:

> In the first public audience somebody said something about the need for employment and that poor people were going to support the mine despite the contamination it causes. This woman, a catechist working in poor neighbourhoods, was so outraged, she told him: ‘I bet you are not from Esquel, are you?’ He said he was not, and she

> said: '[…] if you were born and raised in Esquel, as I am, you would know that we, the poor people in Esquel, are not going to jump at whatever is dangled in front of us. No parent, no matter how poor, wants to see their children dying because of pollution.' And people started to clap […], I could feel the strength we would have as a community acting in unison. (C11-Autoconvocados).

Hence, another theme arising from our data is that the two communities evaluated the externalities of mining in fundamentally different ways (see Appendix 4 for exemplary quotes). Although residents of Andalgalá were well aware of the social and environmental implications of mining projects, the community did not develop a consistent evaluation of these externalities. Furthermore, although the social movement maintained a radical perspective that mining would never be sustainable and had to be rejected as a matter of principle, it was a view shared by few. Most in the community did not perceive high institutional uncertainty, thus they accepted negotiated solutions and endorsed strategies focused on generating more benefits from mining activities for local communities. There was also no agreed strategy for collective action. By contrast, in Esquel a tenacious stance emerged that aimed to minimize collective risks. The externalities of mining were consistently evaluated as negative, and high institutional uncertainty – lack of transparency, denial and resulting untrustworthiness of those promoting the mine – convinced local residents of the impossibility of a deal with the MNE that adequately dealt with the externalities of mining. Hence, views converged here: the only solution to reduce uncertainty and close the void was to reject mining altogether. This position received additional support from key local institutions, such as the Chamber of Tourism and the electricity cooperative. Considering these findings, we offer:

Proposition 4: The stronger the perception of high institutional uncertainty, the more cohesive the informal institution built to evaluate externalities.

4.2.2. Collective emotions supporting institutional entrepreneurship

Our data highlighted another crucial element in the institutional entrepreneurship process undertaken by the social movement, namely collective emotions. Again, these were particularly pronounced in Esquel. Here, we found a mix of positive and negative emotions reinforcing each other in their effects on collective action. Negative emotions included outrage, anger and fear; positive emotions included pride, joy and confidence. Collective outrage and anger erupted, because the MNE and the provincial government were pushing a project that the local community had assessed as operating in an institutional void. In the words of one farmer:

> First, there was a feeling of great despair, because we saw a force unmasked, we experienced first-hand what the force of money and power is [when] they tell you how you have to live and what quality of life you have to live with. I was very scared, and it was a dark time, yes. That feeling that one does not know how things will turn out and, well, you know you have to have [strength] and then I felt that we all shared that […] It is weird, but knowing that we shared this fear made us stronger […] and we went ahead with our slogans and our protests, supporting each other more. The more others joined us, the more confident we were that "they will not pass". We keep the mine out with the passion and resolve of the entire town. (C23-Farmer).

The cohesiveness in the way the community evaluated the externalities of mining helped emotional contagion and convergence of shared emotions; it thus facilitated the institutional entrepreneurship by the social movement through generating shared action strategies. In turn, social movement activists frequently evoked emotions of joy and hope in their campaign, for instance by organizing demonstrations as celebrations of victory.

By contrast, in Andalgalá we could not find evidence of the emergence of collective emotions in the community, neither negative nor positive ones (we identified, of course, a range of individual emotions in our analysis). Neither did we find any evidence of shared joy and confidence due to the economic benefits of the mining project. Instead, Catamarca's past experience with mining ingrained a certain fatalism:

> Communities here live in the present, their main concern is to have money to put food on the table and send children to school. Long term consequences to health are not a main concern, they are fatalist about it […] everybody dies sooner or later. (C28-Hospital Director).

Thus, as another theme, our findings suggest that the way a community evaluates externalities of mining in the context of an institutional void can be reinforced by a potential convergence of emotions in a local community (see Appendix 6 for exemplary quotes). The cohesive evaluation of mining externalities in Esquel favoured the emergence of negative and positive collective emotions that aligned the local community with the social movement. In turn, these collective emotions enhanced the cohesiveness of the way in which the community evaluated mining. By contrast, in Catamarca, the fragmented approach to evaluating mining prevented the convergence of collective emotions in the community. Here, the lack of collective

emotions actually increased the division between the social movement and the local community, as well as enhancing the fragmentation of the evaluation of mining by the community. Stated more generally, we suggest:

> *Proposition 5: The development of a cohesive informal institution to evaluate externalities elicits collective emotions that in turn reinforce the informal institution's cohesion and ability to mobilize resources.*

4.3. Consequences of the social movement's institutional entrepreneurship for the MNE

The third major theme that emerges from our data concerns the consequences of the institutional entrepreneurship by the social movement for the MNEs in the two communities. Here too significant differences emerged between our two cases. In Andalgalá, mining company Bajo de la Alumbrera had engaged in a range of CSR initiatives long before the project started. Initially, it focussed on supporting small entrepreneurs in the agricultural and service sectors, promoting gender equality through their recruitment and supplier selection policies or mentoring local companies to become suppliers. When anti-mining sentiments began to be voiced in the province, the company stepped up its CSR engagement. For example, it provided infrastructure in response to requests by the local authority, increased the number of contracts with local suppliers and engaged local teachers and students in community projects:

> We also work in education on environmental issues, because undoubtedly, one of the branches is a project to review the mine's environmental conduct. Within this, we must educate and teach people that we are credible. It is not about going up to people

> and saying that we are good, but about people from the university or an international body explaining what the mining industry is all about, and trying to improve training so that people understand what they are being explained. (M04-Senior Manager, Alumbrera).

The company extensively communicated its good deeds through local bulletins, adverts in local media and corporate reports. It furthermore appointed a community relations officer in Andalgalá, who proved essential in developing links with community leaders. For example, when the anti-mining sentiments began to grow in Catamarca, the community officer reported this perceived shift in community sentiment to senior management so that the company could step up its CSR engagement.

> After Esquel, [name of the community officer] perceived growing tensions in the community and we decided we had to work harder to level inequalities in the distribution of wealth and show the people of Andalgalá that they were all beneficiaries. (M09-Senior Manager, Alumbrera).

Again, things went very differently in Esquel. From the start, the company kept a low-profile in terms of media exposure, it did not appoint a spokesperson until this was specifically demanded by the provincial authorities, it rejected requests to talk about CSR or community development and was reluctant to discuss technologies or impacts. Even when a public hearing was announced, at which the Environmental Impact Assessment for the mine would be presented, it was the provincial regulator, the Direction of Mines, and not the company itself, which organized a series of hearings to provide information about the mine. The company referred to mine closure and environmental impacts only by saying that these would

be dealt with following applicable legislation and industry standards. Attendants of the hearings were disappointed:

> They talked as if it was a shareholders' meeting, they talked about profits, minimizing costs, they even refused to discuss cyanide use saying that their processes were confidential, [they were] patronizing. We left the hearings worried and angry. (C40-Councillor for *No a la Mina*, Esquel).

Only after the referendum did Meridian Gold hire a CSR consultant to understand why they had lost the referendum. By this stage, however, it was too late to attempt to change community views:

> They [Meridian Gold] brought in foreign consultants to understand why the people of Esquel voted them off. Hard to believe they needed consultants to understand that we voted them off because water is life! Without gold we can live, but without water we cannot survive. (S07-youtube Testimonial).

As a final part of our findings, we can show that the way in which the community evaluates mining and mining externalities significantly impacts MNE value creation and distribution. In Catamarca, the lack of cohesion in the evaluation of mining benefits meant that many local community members were happy to see the continuation of mining as long its benefits outweighed its costs to the town. In this situation, the presence of the social movement *No a la Mina* provided a bargaining tool for local actors and provincial authorities to extract more benefits from Alumbrera. The provincial government in Andalgalá initiated a new compulsory CSR regime: by provincial law, the company has to spend one percent of its

turnover on CSR projects selected by the provincial government. The MNE thus found itself committed to two CSR programmes, a mandatory one demanded by the provincial government, which is allocated largely to infrastructure projects and equipment for communities, and a voluntary one, that focusses on development projects for local communities and is selected by the company, based on requests put forward by local actors (MO4-Senior Manager, Alumbrera). In other words, while the initial institutional void did not get fully closed, institutional uncertainty (already lower than in Esquel) was reduced through a new formal institution centering on increased CSR commitments by the MNE.

In Esquel, institutional entrepreneurship by the social movement was more assertive. Importantly, it infused cohesion in the local community's evaluation of mining in the wake of an institutional void around the regulation of the MNE. Here, the social movement increasingly played a 'gatekeeping' role. While the local community already took pride in its cohesive attitude towards mining as well as a history of fending off MNEs posing an environmental danger, the mobilization process helped convergence between social movement and local community, given that movement objectives and strategies were in line with the informal institution fostered by the community. At the end of the process, the community succeeded in halting mining operations, lateron even getting open-cast mining banned in the entire province. Thus, the institutional entrepreneurship by the social movement managed here to replace the institutional void with a novel formal institution. This leads to the following:

> *Proposition 6: When the informal institution to evaluate externalities is cohesive, the informal institution-building process results in the closure of institutional voids, which can effectively force the MNE to exit (gatekeeping).*

Proposition 7: When the informal institution to evaluate externalities is fragmented, the informal institution-building process results in the reduction of institutional uncertainties through formal arrangements, which can increase the allocation of value to communities (bargaining).

5. Discussion

5.1. Theoretical contributions to IB

5.1.1. Triggers of informal institution-building

As a first contribution to IB literature, we find that the entry of an MNE can create a new institutional void when communities perceive that existing formal institutions are inadequately equipped to monitor and regulate the impacts of the MNE's operations. In our case, the void relates to a lack of regulation, monitoring and access to information on environmental issues as well as enforcement of environmental impacts at the local level. Out of the five categories of institutional voids identified in prior literature (product, labour market, capital market, contracting and regulation), weak and poorly enforced environmental regulation may lead to particularly pronounced negative externalities of MNE operations in emerging markets.

Furthermore, our analysis suggests that social actors will engage in institutional entrepreneurship to explore alternative solutions when community perceptions of dangers associated with voids are compounded by institutional uncertainties that cast a shadow over the credibility of the solutions offered by the MNE and supporting political authorities.

Namely, when (1) there is insufficient or intransparent communication with communities about technical details of mining processes, (2) communities feel that the onus might be on them to identify trade-offs and prove negative impacts. In this situation, (3) close relations between the company and powerful actors are perceived as being collusive, and (4) flaws in regulation may affect the predictability of enforcement, even if resources are allocated by the government to monitor and regulate the MNE's impacts.

Following uncertainty-based conceptualizations of informal institutions (Sartor, & Beamish, 2014; Yao, Jiang, Combs and Chang, 2020), (3) and (4) can be associated with environmental uncertainties, the inability to predict the external environment, while (1) and (2) pertain to behavioural uncertainties, strategic non-disclosure, disguise or distortion of information, often due to opportunism. Thus, from a community's perspective, the entry of an MNE not only exposes institutional voids, but also environmental and behavioural uncertainties affecting the predictability of institutional commitment to protect communities from potential harm. Accordingly, concomitant institutional voids and institutional uncertainties trigger community institutional entrepreneurship to build informal institutions tasked with the reduction of uncertainties and closure of voids related to the regulation of MNE activities. Our theorization resonates with research in IB proposing that informal institutions have a fundamental role to play in absorbing environmental and behavioural uncertainties found by MNEs when operating in contexts with institutional voids (Yao, et al., 2020). However, while Yao and colleagues emphasise positive outcomes of informal institutions for MNEs, namely enhanced absorptive capacity and performance, our findings look at how communities deploy informal institutions to address voids and uncertainties generated by MNEs, potentially constraining MNE discretion and reshaping value distribution between MNEs and communities.

Another aspect in which our results differ from prior literature is related to the convergence of the impacts of institutional voids and institutional uncertainty. Previous research has noted that institutional voids and institutional uncertainties affecting MNEs have divergent impacts on MNEs decisions. For example, Santangelo and Meyer (2011) found that institutional voids increase MNEs commitment to an existing project while institutional uncertainty decreases such commitment. Taking a community perspective, our analysis suggests instead that institutional voids and institutional uncertainty converge to reinforce each other and trigger institutional entrepreneurship.

Comparing Esquel with our baseline case of Andalgalá, we further observed that institutional entrepreneurship was undergirded by the collective memory of successful earlier mobilization against the proposed nuclear waste facility at Gastre. Collective memory provided: i) inspiration for informal institution-building, ii) information about negative impacts of MNE activities, iii) frames to assess trade-offs between environmental and economic aspects, and iv) strategies and tactics to address behavioural uncertainty in the presence of relational ties between firms and their regulators. When collective memory provides a template for successful institution-building, it increases community perceptions of the feasibility of similar institutions successfully challenging MNEs. Therefore, we conceptualize collective memory as a moderator of the informal institution-building triggered to address voids and uncertainties.

5.1.2 The process of informal institution-building

A central contribution of our paper is the identification of new informal institution to evaluate business externalities, which we call ‘community sustainability orientation’ (CSO). We define

the CSO as the values, beliefs and norms of a community towards trade-offs between economic, social and environmental aspects of economic activity. As a psychological construct, a sustainability orientation is an extension of a social value orientation, which captures the importance that individuals attach to outcomes of an action that are beneficial to themselves versus those that are beneficial to others (Cameron, Brown, & Chapman, 1998; Joireman, Lasane, Bennett, Richards, & Solaimani, 2001). A social value orientation extends to a sustainability orientation to capture concerns around environmental and social effects of human activity. Such a sustainability orientation has been defined as the extent to which an individual is "concerned with environmental and societal issues" (Kuckertz, & Wagner, 2010, p. 524) and captures the importance individuals attach to the various elements of sustainability (see also Schuler, Rasche, Etzion, & Newton, 2017). This construct can be extended from the individual to other levels of analysis. Roxas and Coetzer (2012, p. 464) conceive of sustainability orientation as operating at the level of a firm and define the concept as "the overall proactive strategic stance of firms towards the integration of environmental concerns and practices into their strategic, tactical and operational activities" (see also Arnold, 2015). Agyeman and Evans (2004) apply sustainability orientation to social movements and explore the ideological differences between environmental protection and environmental justice movements.

The CSO guides community acceptance of economic activity and thus provides social rules to deal with negative externalities of MNE operations. Data from our two case studies show that the CSO allows a local community to (1) reduce environmental uncertainty by collectively evaluating trade-offs around sustainability and (2) develop appropriate response strategies to reduce behavioural uncertainty. Our data furthermore suggest that for the CSO to function, it has to have one crucial feature: it has to be cohesive, i.e. the community needs to align to one

position in the application of (sustainability) principles to practice. We observed that communities with a cohesive CSO – such as Esquel's – are better prepared to absorb environmental uncertainties and quickly form their assessment of MNE impacts. As cohesiveness limits choice, community members can stop analysing options, in the knowledge that any agreed solution is likely to serve their common interests. Such social bonds further enable communities to present a common front and collectively implement strategies to absorb behavioural uncertainties and close institutional voids. A non-cohesive (or fragmented) informal institution – as was found in Andalgalá – will still absorb uncertainties for the groups that benefit from the solutions endorsed by the CSO; but the non-cohesive CSO is no longer able to close institutional voids. Finally, cohesion in the call for action towards a common goal elicits collective emotions. Where there is convergence of collective emotions within the community, these emotions reinforce the cohesiveness of the CSO, pride and joy energize the local community and anger and fear maintain momentum for mobilization when the goal is to confront a common enemy. In short, as noted by Zietsma and Toubiana (2018), collective emotions provide the glue to bond the community to the emerging institution.

5.1.3 Consequences of informal institutions

We suggest that when an MNE project does not match with the sustainability orientation of a community (especially when its CSO is cohesive) the community puts pressure on local and national governments to drastically modify or even stop MNE operations, thus causing a new formal institutional arrangement where unpredictable and targeted government regulation disrupts MNE operations. However, when the MNE project conforms to the sustainability orientation of the community (which may be helped by a fragmented nature), the community

does not succeed in putting pressure on the government to disrupt MNE operation; instead, the community can only rely on bargaining with the MNE for increased benefits.[2]

In the processes described above, a contested business practice sets off the agency of the social movement. Where the MNEs does not engage with these demands, the social movement then appeals to the local community by aiming to influence its CSO, with the objective of penalizing, or even expelling the MNE. Subsequently, the social movement pressures political authorities to close the informal institutional void (from the MNE perspective, a sudden introduction of government regulation may, of course, look like another formal institutional void that disrupts MNE operations). The extent to which the social movement succeeds in this task depends on the extent to which the CSO solutions to manage trade-offs are aligned with the aims of the social movement.

In our cases, where the CSO is cohesive, the objectives of the social movement are aligned with the CSO. Community members will share the social movement's framing of the MNE as enemy and deliberately withdraw legitimacy and resources needed for continued operations, thus trying to force the MNE to exit. The social movement here plays the role of community gatekeeper. In the case of Esquel, this happened through a non-binding referendum on mining in the town, followed by a defeat of the pro-mining governor in the provincial elections. Where the CSO is fragmented, the aims of the social movement and the solutions supported by the CSO diverge. Many community members will not share the framing of the MNE as enemy. However, they may still see the operations of the social movement as an opportunity to extract additional resources from the MNE or to impose additional control. In this case,

[2] In our conceptualization, we differentiate between the 'community sustainability orientation', an informal institution, and the social movement challenging the activities of the MNEs, a social actor. *No a la Mina* as a radical social movement rejected trade-offs and aimed to ban multinational mining. While it promoted the same solutions in Esquel and Andalgala, the results were completely different.

while the social movement engages in institutional entrepreneurships to expel the MNE, other actors in the local community can be seen to engage in institutional entrepreneurship to alter the distribution of value between MNE and community, using the activities of the social movement as bargaining leverage to extract additional concessions from the MNE (see Figure 2 for an overview of our argument).

[insert Figure 2 about here]

5.1.4. Implications for the research agenda in IB

Having identified two gaps in institution-based studies in IB – an imbalance between attention given to formal institutions versus informal institutions (Boddewyn, & Peng, 2021) and a relative scarcity of research concurrently considering institutional voids, institutional uncertainty and institutional entrepreneurship (Ahmed, Bebenroth, & Hennart, 2020), we argue that our findings can help to contribute to a better understanding of how informal institutions emerge, develop and affect MNEs. Despite their potential to disrupt MNE operations, the claims of social movements and other collective actors are often ignored by managers – in particular in the early stages of an FDI project – because they are not considered salient by established criteria to evaluate stakeholder power or legitimacy (Dang, et al., 2020; Yakovleva, & Vazquez-Brust, 2018). This is in part because their claims relate to informal institutions and are not linked to demands of powerful actors. Tang and Buckley (2020) observe that informal institutions are not changed easily by deliberate politics as they enforce rules through mechanisms that MNEs are ill-prepared to deal with, such as disrepute and expulsion.

Our research reaffirms both the importance of informal institutions for IB and their locally grounded nature. In our cases, both MNEs had the support of formal institutions at the national level and proactively engaged in political coalitions (with actors in formal institutions) to support the smooth running of their operations; yet, it was differences in informal institutions that resulted in substantial differences in the type and intensity of the consequences experienced. Our findings suggest that institution-based research needs to explore more carefully the relations between institutional voids, institutional uncertainty and actors engaging in institutional entrepreneurship to close voids and/or reduce uncertainties through the construction of (informal) institutions. As noted by Aguilera and Grøgaard (2019), IB research, specifically quantitative studies, often displays a 'thin' approach to institutions that oversimplifies (e.g. everything is a void) and inadvertently mixes different strands of institutional theory. Hence, they urge IB researchers to pay more attention to nuances and interactions between institutional dimensions and to "consider how we can strengthen our understanding of the diversity of institutions and their implications for IB" (Aguilera, & Grøgaard, 2019, p. 21). We addressed this call with a model that explores interactions between institutional voids, institutional uncertainty, institutional entrepreneurship and informal and formal institution-building.

5.*2. Implications for research in organization studies*

Beyond contributions to IB, we would like to briefly comment on an important contribution that our research can make to organization studies. One obvious area is research on emotions and institutions (see Zietsma, & Toubiana, 2018) but for the sake of parsimony we single out our contribution to emerging scholarship that examines the nexus of collective memory and corporate (ir)responsibility (Foroughi, Coraiola, Rintamäki, Mena, & Foster, 2020; Mena,

Rintamäki, Fleming, & Spicer, 2016). So far, this literature mostly examined the preventive role of corporations in the emergence of a strong collective memory, for instance by discrediting interested stakeholders and undermining the traces of past misbehaviour, spreading misinformation (Coraiola, & Derry, 2020) or by dividing resistance (Maher, Valenzuela, & Böhm, 2019).

By contrast, our research suggests that civic activists can harness and reinforce collective memories of a community in the pursuit of their objectives. In particular, a social movement can utilize collective memories, to provide 1) an 'interpretative frame' seeking to influence cognitive and emotional elements needed for building informal institutions, such as a CSO, and 2) action frames for mobilization, templates that shape action by establishing institutional strategies. Future research on the mobilization of resistance (Maher, et al., 2019) can thus examine ways that enable civic groups to utilize collective memories as a resource for fighting environmental or social injustice.

5.3. Managerial implications

Prior literature on MNEs in emerging economies has pointed to the importance of informal as well as formal institutions in shaping firm's value creation processes (Teegen, Doh, & Vachani, 2004); it is therefore a crucial task for managers to reliably identify key stakeholders that can influence value creation. IB research has, of course, examined the role of NGOs in potentially eroding value for MNEs (Teegen, et al., 2004; Villo, et al., 2020) and recommended a range of mitigation or pre-emptive strategies to engage NGOs, such as building political coalitions with them (Dang, et al., 2020). However, radically antagonistic social movements, such as *No a la Mina* differ from NGOs in crucial aspects: they can

suddenly emerge and escalate their confrontation quickly, they are horizontally governed, they do not look at extracting benefits from the MNE, they cannot be engaged as partners or consultants nor fought with litigation, and dialogue or negotiation is hampered by the multiplicity of voices and their distributed, elusive leadership. These differences affect the suitability of strategies, such as those recommended to MNEs by IB literature, to mitigate potential value loss emerging from social movements.

In addition, our findings suggest that previous experience in similar country contexts may actually obscure sub-national cues. This effect is likely to be more pronounced when managers operating in a federal country have built their experience in a unitary country. The managers in Esquel and Andalgalá relied heavily on government and other stakeholders, such as unions, to provide information clues; they both engaged in political ties and refused dialogue with *No a la Mina*. In both cases, managers had extensive prior experience in Chile, a country with a unitary government and lower levels of institutional uncertainty. As a result, they seemingly over-relied on government support and assumed that communities were either misinformed or wanted to extract additional benefits from the MNE through a bargaining process.

Last but not least, the practical importance of our findings – both the importance of subnational factors and the stark consequences of an alignment between a social movements' institutional entrepreneurship and a cohesive CSO – can be seen in the Annual Policy Perception Index compiled by the Fraser Institute, based in Vancouver, Canada. Calculated at subnational level since 1997, the index measures overall policy attractiveness of mining regions, based on factors like infrastructure, tax regime, uncertainty concerning environmental regulations and community attitudes. In 2020 the PPI included information on

about 40 countries and 77 jurisdictions, including Chubut and Catamarca. While Catamarca is placed in the upper half of the ranking, Chubut – despite having better infrastructure – is placed at the bottom of the bottom half, ranking as the second least attractive jurisdiction in the world after Venezuela.

5.3. Limitations and avenues for future research

Our study has a number of limitations. First, although we deliberately selected a single country context, the mining industry in Argentina, to draw out the importance of local community sustainability orientations in shaping MNEs operations at subnational level, the broader institutional environment is nonetheless likely to have influenced our findings. Hence, our findings may not be fully transferable to other settings. Secondly, as in other industries, there is great heterogeneity in the mining sector, where MNEs compete with smaller domestic firms, with significant activity also being undertaken by artisan miners. Having focussed on large MNEs, the comparability of our results with data generated from other types of companies may again be limited. Thirdly, due to the study's explorational focus, we were not able to measure the strength of the identified constructs. Finally, as our focus was on the interactions between communities and mining companies, we were not able to capture wider institutional influences, for example in the political sphere at the various levels, that may also affect the success of social movement and MNEs strategies.

These limitations open up a number of avenues for future research into informal institutions in IB. To start with, scholars could investigate the role of social movements and informal institutions, like our sustainability orientation, in different industries. A key feature of mining is its dependence on the local market, which generally tends to increase the bargaining power

of the host government (Shapiro, et al., 2018). It might thus be interesting to contrast our findings with an industry, such as the textile one, that generally depends less on local markets but equally faces significant sustainability issues that involve trade-offs for local communities. Last but not least, the effectiveness of the identified approaches and tools could be measured through quantitative studies into CSOs and political actions of MNEs.

Conclusions

This paper took its starting points from a recent observation concerning the state of the IB literature, a call for a better understanding of the role of informal institutions (Boddewyn, & Peng, 2021; Tang, & Buckley, 2020). We linked this to a previous call – that we still consider relevant – for more research into the role that social movements play in international business (Teegen, et al., 2004). We heeded these calls by drawing attention to the institutional entrepreneurship of social movements in building informal institutions to address institutional voids and uncertainties, which developed as a consequence of MNE entry in a developing country. We used data from two cases of FDI in the gold mining industry in Argentina to conceptualize the triggers, processes and consequences of informal institution-building by a social movement.

As our main contribution, we conceptualized a new informal institution: a local community's sustainability orientation (CSO), the generalized manner in which a community deals with trade-offs between economic, environmental and societal aspects of MNE activities. We propose that social movements will be more successful when they succeed in building a cohesive CSO, which may be supported by collective memories of prior successful anti-corporate mobilization. The cohesiveness of this informal institution aids the convergence of

collective emotions in the local community, which in turn further enhances the cohesiveness of the institution. Finally, we argue that a cohesive community sustainability orientation – supported by relevant collective memory and collective emotions – may succeed in closing formal institutional voids and reducing institutional uncertainties by driving new regulation, which could force the MNE to exit. However, these processes are by no means automatic; rather, our data allowed us to uncover the complex and dynamic interaction of social movements, local communities and MNEs. Still, under certain conditions, social movements can position themselves as gatekeepers and define what investments are acceptable and under what conditions. Importantly, these processes at subnational level can operate independently from whatever happens at national level, adding an additional layer of complexity to the operations of international business.

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Figure 1: Coding Scheme

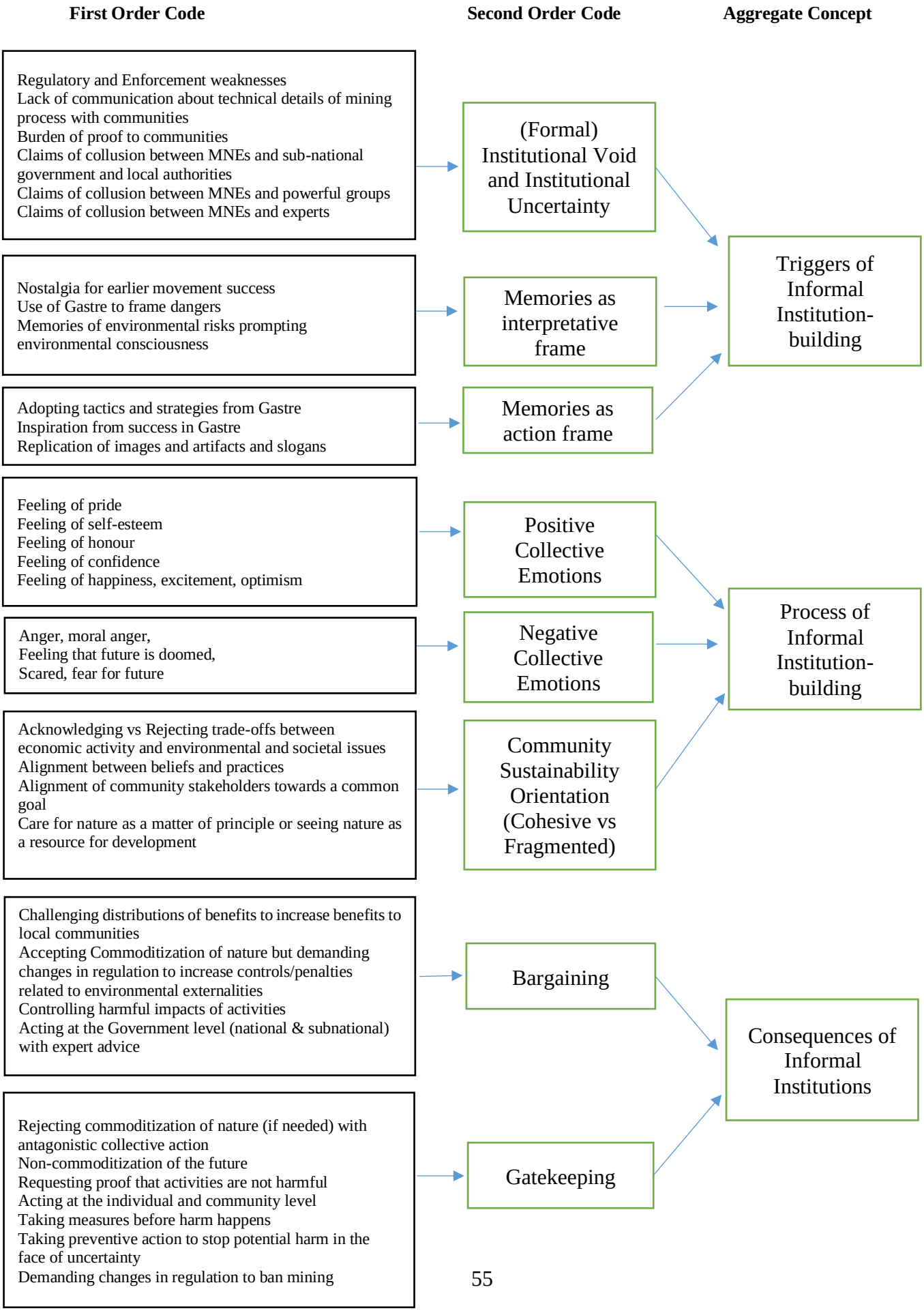

Figure 2: A Model of a Social Movement Closing an Institutional Void

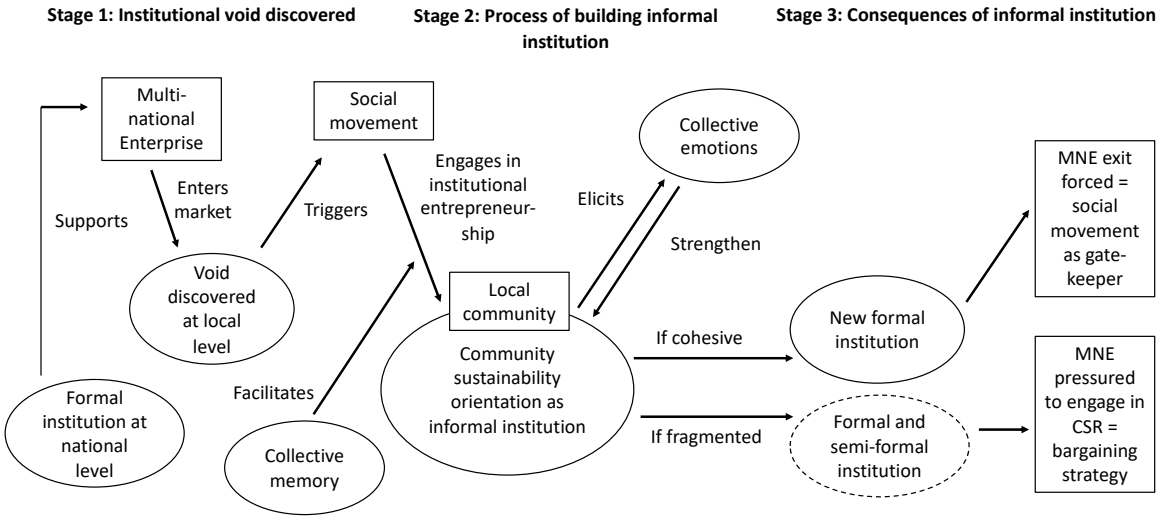

Table 1. Description of the Cases of Esquel and Andalgalá

	Esquel, Chubut	**Andalgalá, Catamarca**
Location	Town of Esquel in Chubut Province	Town of Andalgalá in Catamarca Province
Population size	32,000*	14,000**
Mine project	El Desquite (Gold and silver)	Bajo de Alumbrera (Gold and copper)
Original ownership	Minera El Desquite SA (owned by Meridian Gold Inc, Canada - 77%, MB Holdings, Argentina - 23%)	Joint venture between Minera Alumbrera SA (Swiss company Xstrata – 50%, Canadian company Goldcorp – 37.5%, and Canadian company Yamana Gold – 12.5%) and YMAD, Argentina
Project investment	USD 1.2 billion	USD 1.6 billion
Project duration	2000-2003	1997-2018
Evolution of the mining project	**1997.** Discovery of gold deposit **2000.** Foreign direct investment into mine project **2003**. Development of open pit mine suspended by Provincial Government following non-binding town referendum of 23 March 2003 (87% against the mine). Provincial Law 5001 forbids open-pit mining and cyanide. **2006**. Legal injunction forbids access to the mine until new environmental impacts assessment conducted and approved by public audience. However, the concession was not revoked and El Desquite maintained an office in Esquel. **2008**. Yamana Gold buys Meridian Gold. Acquires concession rights of El Desquite as "Minas Argentina". **2011**. Esquel Town Council rejects attempt to re-open the mine **2014**. Yamana relaunches project with underground technology, avoiding use of cyanide. Local Authority permit refused after mobilizations. **2016**. New attempt to obtain permit refused after mobilizations **2019**. Provincial authorities attempt to reform Provincial Law 5001. Blocked by massive *No a la Mina* mobilization, with over 5000 people marching in Esquel.	**1992** Deposit goes for international tender **1995** First foreign direct investment into mine project **2003** Xstrata acquired stake in the mine **1998-2020** Open pit mine in operation until end of mine in 2018. Repeated *No a La Mina* mobilizations and several contamination lawsuits against Minera Alumbrera in several provinces are countered by pro-mining mobilizations and support of local and provincial authorities. *No a la Mina* requests for referendum repeatedly rejected by local authorities. **2010**. *No a La Mina* demonstrators block access to the mining site paralysing operations. Local authority leads large pro-mining mobilization. Provincial police use force to end blockage, 150 people detained. Attacks of local council building. Alumbrera resumes operations and no further blockages attempted. **2014**. Glencore merges with Xtrata **2018**. Underground extension (2021-2029) after close of open pit mine confirmed. End of Mine period starts. **2020**. Open pit mine and offices closed August 2020. Argentina's Supreme Court finds against Alumbrera in a lawsuit for contamination. Alumbrera's former and current CEO found guilty of charges.

Source: Environmental Justice Atlas (2018), Mining Technology (2020); Minera Alumbrera (2007). Meridian Gold Corporate Report (2006). La Nacion (2000), Mining Press (2011), BBC (2012) PrensaNoa (2020), EQS notas (2019).
Note: * Census of 2010; ** Census of 2001.

Table 2. List of Collected Data

Data	Source/Author	Quantity	Use in the study
Semi-structured interviews	Collected from three sectors of society: Mining industry (43), Civil society (43), Government (22).	108 (991 pages of text)	Interviews were conducted in Spanish and transcribed verbatim, where digital recording was available. All transcripts and notes were translated into English. Then transcripts and notes were coded in NVivo, a priori and emergent codes were generated. First order codes were created from the interview data.
	2008-2010: Interviews in Buenos Aires, Catamarca, Chubut, Rio Negro, Tucuman and Santa Fe provinces (each 45-120 minutes in length): Mining industry (34); Civil society (35); Government (14).	83	
	2011-2016: Follow up interviews in Argentina (each 30-45 minutes in length): Mining industry (9); Civil society (8); Government (8).	25	
Public meetings and workshops	Speeches and notes from meetings and workshops.	25 (75 pages of text)	Speeches were recorded on digital recorder and hand-written notes taken. Public speeches were transcribed, notes were typed. Both were translated into English and coded in NVivo along with interview transcripts. Notes from multi-stakeholder workshops were used to corroborate the emergent conceptualisation.
	2008-2010: Public meetings that discussed mining industry, including meetings of No A La Mina movement.	22	
	Researcher-led multi-stakeholder workshops organised at the University of Buenos Aires: 1) Workshop 1 – "Update on sustainability and stakeholder management in the extractive industry" (6-7 Nov 2008); 2) Workshop 2 – "Mining and sustainable development" (13 July 2012); 3) Workshop 3 – "How mining can contribute to the Sustainable Development Goals?" (8 April 2016)	3	
Secondary data	Webpages of National and local newspapers (Esquel and Andalgalá)		Used to corroborate the accounts, facts and checking the storylines.
	Webpages of *No a la Mina* movement, secretary of mining, Panorama Minero, and Bajo de la Alumbrera		Used to corroborate the accounts, facts and checking the storylines.
	YouTube videos with testimonials of Esquel and Andalgalá residents oppossing or supporting mining	24 pages of notes from 594 minutes	Notes were used to check for concept development, as additional sources of evidence towards latter stages of the research.
	Corporate and sustainability reports by Bajo de La Alumbrera, published 2002-2018	17 reports	Reports were coded. Used to corroborate the accounts, facts and checking the storylines.
	Archival material (not available online) included 350 headlines related to *No a la Mina*, Meridian Gold or Bajo de la Alumbrera, local newspapers in Esquel and Andalgalá (2000-2003), emails exchanged between the Secretary of Mining of Chubut and citizens of Esquel in relation to Meridian Gold (2000 to 2005) and Bajo de la Alumbrera environmental audits (2000-2007).	350	Used to corroborate the accounts, facts and checking the storylines.

Appendix 1. Schedule of Interview Questions

1. Mining and sustainability

Do you think that mining can be sustainable? If so, could you explain what sustainable mining is like, in your view?
How can change towards sustainable mining be achieved?
What are the drivers for and obstacles to sustainable mining?

2. General: Impacts and benefits

What, in your view, is the contribution of the multinational mining project to the economy at national, provincial and municipal levels?
How does the multinational mining project influence the communities at local level?
What impact does the multinational mining project have in environmental terms?

3. Multinational mining companies: Sustainability strategies

What are the policies/strategies of the multinational mining companies in the areas of environmental management, community development/engagement and personnel/employment opportunities?
What standards do the companies adhere to (international, national, self-developed)?
Do companies monitor and share the information with the public on their operation in the area of environment, economic development, community and personnel?
What resources do companies dedicate to the management of issues such as environmental management, personnel and community development/engagement?

4. Multinational mining companies and communities

What groups/section of the community do multinational mining companies target in their work?
What types of interaction does the multinational mining company enter with local community, e.g. information sharing, consultation, participation?
How have these initiatives come about? Was there any community participation in programme development?
What is the process of their implementation? How are communities involved in the implementation of the projects?
What is the impact of these programmes? Is there program evaluation?
Do companies report on these programmes to the public?

5. Conflict with communities

Have there been any conflict situations or tensions arising from the multinational mining projects with communities?
What is the nature of these tensions and conflicts?
What parties or actors are involved in these conflicts and what actions were taken by them?
Have the conflicts been resolved, what were the reasons?
How has the conflict affected the company? How has it affected other parties? How do you see yourself affected by the conflict?

Appendix 2. Extract of the Coding Scheme

Illustrative Quote	First Order Code	Second Order Code
People started to say, we do not want "progress" [makes quotation mark with her hands] that asks us to turn a blind eye to the destruction of nature. Look around, look at the mountains, the lakes, we can have industries that thrive on protecting nature. The town needs employment but not at this price. (S29-Journalist, Esquel).	Rejecting Trade-offs between economic and environmental issues	(Cohesive) Community Sustainability Orientation
We drafted a document that was very critical, and we had the full support of the bishop of the diocese of Esquel. He warned the governor that defenceless communities should not be exposed to any activity that has not been unequivocally proven to be safe. (C17-Clergy, Esquel).		
Here, when our people feel that the environment or lives are threatened, our people take action, each and every one. To make our voices heard in public audiences is fine, but it does not stop there. The people do not pass the ball to the mining company or the government or the IMF. No, they keep the ball until they score. (S22-Influencer, Esquel).	Alignment between beliefs and practices	
Here, we do not just talk about how much we love nature, we put our money where our mouth is. We recycle, we protect biodiversity, we have community forestation projects, we have renewable energy, we have sustainable farming and tourism, we have organic products and sweaters with organic dyes, we have public audiences to discuss environmental impacts. (G14-Local-Government official, Esquel).		
You cannot put a price on lack of water or destruction of the environment, would you put a price on the future of your children? (C11-Autoconvocados, Esquel).	Care for nature as a matter of principle	
I dislike the term "natural resource", it is so exploitative, I care for nature because is my duty and part of what I am, it is not about using it, we use nature but we need to protect it for moral reasons (G19-Provincial Government, Chubut).		
Here everyone is going to answer you that the mine will not pass ... You will get always the same answer, that [having the Mine] does not make sense for us ... This is a heterogeneous population that is nevertheless homogeneous in that position, and that's the point. Even now there are still many [No to the Mine] posters in most businesses, the No to the mine is still there!" (C23-Farmer, Esquel).	Alignment of community stakeholders towards a common goal	
No a la Mina is about what we are in Esquel as a community, and we all support it, poor and rich, young and old, because we like our community. Farmers, business, professionals, workers, we have many differences but we agree on this cause. (C22-Electricity Cooperative, Esquel).		

Appendix 3. Exemplar Quotes on the Emergence of Institutional Voids and Uncertainties

Codes	Andalgalá	Esquel
Regulatory and enforcement weaknesses	The National Mining Law says that the Provincial Secretary of Mining is responsible to monitor and control the effluents of the mine. This is worrying to start with, because the Secretary of Mining's main goal is to promote mining, but let's assume they want to do the right thing. Not all laboratories have the equipment [needed]. The methods used by multinationals to extract gold are not conventional, testing their impacts requires still more specialized laboratories, so they are more expensive and less accessible, so how are you going to apply a mining activity where it does not have an independent environmental department, is let's say a fundamental error in the design of regulation. The United States has problems, with a strong and independent environmental department, imagine if we don't have it. (C03-Lawyer, NGO).	
	The Law is full of loopholes, not only in the environmental aspects but also in terms of taxes, not enough value is retained at the local level. (G18-Provincial Government, Catamarca). A problem with the mining code is that most of the royalties and taxes are retained by the province and spill-over at the local level is drop by drop…so communities do not see the benefits. (M10-Alumbrera).	This is not a serious province. We do not provide controls. There is no reassurance or stability in the enforcement. (G15-Provincial Government, Esquel) The problem erupted – we have a volcano here and it was an eruption! – when a colleague journalist got access to the environmental impact assessment report prepared by the company and approved by the Secretary of Mining. The report was very bad, omitted key potential impacts, basic technical mistakes. Those who know, the universities, the chemists, the specialists in ecology, the environmental NGOs read the report and they kicked up such a fuss that the community woke up, the lawyers started looking at the law […] and it was clear that with the current law nobody was safe. (C39-Journalist, Esquel). People started to browse internet to see what could happen with cyanide and they started to say 'are we all going to die?' Then the Chilean [managers] came with their huge cars and they rented the best houses in town, and people thought we are going to be poisoned to make these people richer. (G19-Provincial Government, Chubut).
Lack of communication about technical details of mining process with communities	The company did not want to show us the environmental report [for the tail dam]. The office in Andalgalá first said 'it is classified', then they said, it is not here, you need to talk to the environmental manager on the mine site. The environmental manager said, if you want to see it, you need to go to the Secretary of Mining in Catamarca city and complete a form requesting access. […] we are still waiting. (C24-Journalist-Film Maker, Andalgalá).	We organised a barbecue and both the Chilean and the Bolivian came. The Bolivian (Bors) was unfriendly. He was here to take the gold out of the place 'as soon as possible'; the social impacts were not his concern. (C20-Union Esquel). The company did not allow us to see the mining site. We send 'compañeros' pretending to be tourist and this way we got to see the mine. The company said there is nothing to fear [with the mine] everything is going to go 'on wheels' [i.e. smoothly]. It was telling but not explaining. Nobody gave factual information, nobody said what would happen if the plastic on that pool broke up. (C21-Union, Esquel).
Burden of proof to communities	The office of the lord major told us, do not worry everything is under control, there is no negative impact. Just because you fear otherwise does not make it true. If you have got proof we can do	Some of the managers here were water experts, they networked with acquaintances in the university: chemists, biochemists, geologists, ecologists. They pooled expertise and collected information, they organized testing and produced independent environmental reports. (C22-Electricity Coop, Esquel).

	something, if you have gossip we cannot do anything. (C13-moderate NGO, Andalgalá).	It cost us blood, sweat and water (laugh) to get the water tested, the mining company tried to block us using local labs, but the equipment was not up to the task anyway. They were done in Buenos Aires and it was very, very expensive. The COOP paid half and each of us in the Assembly contributed 250 pesos [average income was 820]. (C42-Autoconvocados, Esquel). I have a meeting with people from the mining company, they left the meeting saying I was ignorant. I asked them: 'tell me what I have said that you can produce scientific evidence to contradict my claims', they said 'we work up to legal standards, it is up to you provide scientific evidence that backs what you say'. (C17-Clergy, Esquel).
Claims of collusion between MNEs and sub-national government and local authorities	I can choose my local authorities, but I do not believe them, they were not transparent in the relation with the mine, the manager and the local councillors invited each other to barbecues and were often seen dining-out together. (C33-SME, Andalgalá). I trust the government. We must let everyone do their job; the law may have flaws, but the major's office is not corrupt. (C32-Community leader).	Neither the mining company, nor the Government knew what to do and how to behave. They were in cahoots. They did not inform in advance, they underestimated the people. If they were not able to 'buy' somebody, they would just ignore him/her. That was my case. I did not want a bribe. I wanted better quality of work. (C20-Union, Esquel).
Claims of collusion between MNEs and powerful groups	The president of Argentina is pro-mining. The president, the governors, the CEOs of the Mining companies, they are all mates. (M26-Mining worker Andalgalá). The connections [MNE and power groups] are for good, the mine brings investment in other sectors, bring jobs, if they are here, they can get help to fix our problems (C19-Teacher).	The main problem is that mining MNEs are greedy. They do not want to invest in R&D to recover gold of low grade using alternative technologies. The governments are corrupt, it is easy and cheaper for MNEs to buy them; then they buy the media and a couple of NGOs for good measure. As a consequence, there are no controls. (C17-Clergy, Esquel). Meridian was very well connected politically; they have common friends with the president. Meridian had and direct access to the governor, strong contacts with national media and they were not shy to use. (G02-National Government).
Claims of collusion between MNEs and experts	The company paid an NGO that worked with a university to make an independent report. The report was very complementary of the environmental achievements and controls. Now, the NGO they choose was working for the company in Peru and the university has a share in the ownership of the Mine, in what parallel universe that gives us reassurance? (C37-Autoconvocados, Andalgalá). On this side, you have the experts in ecology from two universities [Tucuman and San Martin] telling us that the impact is fine. On the other hand, you have the fishmonger and a couple of farmers telling you not to trust them. (C31-Tribal Chief, Andalgalá).	Ideally, CSR means companies having controls internally, rather than waiting for government control. Also, ideally CSR means these internal controls are verified by independent external auditors. In practice, CSR means companies controlling that negative impacts are not disclosed and that independent experts are in the payroll as consultants. (C16-Clergy, Esquel).

Appendix 4. Exemplar Quotes on Community Sustainability Orientation – Evaluating Mining Externalities

Andalgalá – Fragmented Community Sustainability Orientation	Esquel – Cohesive Community Sustainability Orientation
Accepting Trade off "Depletion of natural resources" Well, undoubtedly sustainable mining is a utopia, let's say, because it is a resource that is not renewable, therefore it will end at some point, so that is something we just have to accept. (M14-Alumbrera). **No trade off "Health"** I am a citizen, not an environmentalist, not an ecologist. I am concerned about the quality of water that I drink. This is my right. Why should we pay with our health for someone to get their first car? (C18-Autoconvocados 2). **Accepting Trade off "Mining coexists with agriculture"** Water is scarce in the region. Most of it is run-off water. Bajo Alumbrera uses water and does not provide any reports. But agriculture, olive groves, and other productive activities also cause contamination. I think that mining could coexist with other activities. (C27-Nurse). **Accepting Trade off "Employment"** In the social sense, we must have as many as 80 people working in the Alumbrera mine today, we cannot lose this. (G12-Local Government Officer). I have friends, I have some townspeople around who are going through [difficulties]. Where we hope that mining will arrive, in a way, because it has been a hope for us, that it will arrive and there will be work [for the people]. Because I have seen that there is no work here. (C14-SME Transport). **Accepting Trade off "Youth employment"** I think of others, here we have young people, I want progress for the people… Indirectly the benefits are coming … in one way or another to the mayor. He has carried out different projects for several young people, whether they have a trade or not, are working or not, and if they don't have a trade, they are learning. (C19-Teacher). **Accepting Trade off "Economic development"** The position of a mining company to generate an economy, a sustainable productivity, will undoubtedly frame other productive aspects that are not exclusively mining, as is the case, in terms of development. (C35-Sugarcane Firm Employee).	**No trade off "Natural resources and way of life"** The people of the neighbourhoods, very humble, that is, they have a particular appreciation for water… people who see life in another, different way, beyond money. They did not care for the mine, they care for keeping what they have and that means No to the mine. (C12-Autoconvocados). **No trade off "Health"** A DuPont expert came to town to explain health and safety precautions being taken to transport the cyanide that was meant to be used to extract gold. Only then we realized that they will dynamite 40,000 tons of rock very day, day-in day-out, for 10 years…The gold stream is in a direct line from the town, only six kilometres away. It would have been horrific pollution. (C11-Autoconvocados). **No trade off "Noise pollution"** The mine was meant to be too close to Esquel. The explosions would have been heard, the pond and the groundwater level … all this played against it. (G14-Local Government). **No trade off "Cyanide"** I am against gold mining with open-pits which uses cyanide and generates acid drainage. Even the mining association admits the effects of cyanide. Of course, what they say is that for every unwanted effect there is a techno-fix. The main problem is that mining MNEs are greedy. They do not want to invest in R&D to recover gold of low grade using alternative technologies. (C17-Clergy 1). Who was going to control the use of cyanide? I ask you, can you tell me? The company, who says that cyanide cannot be discussed because of business confidentiality, but says it will all be ok, no worries…? The local authority, which would not be able to detect cyanide if they had it spilled in their drinks? The governor, who was already counting his share? (S36-Medical Worker). **No trade off "Quality of life"** The story is like that Esquel is largely made up of people who came to look for quality of life… we have a special appreciation for the environment, you understand me, you prefer to ride a bicycle or go for a walk in the mountains, so […] the mine had to go because it did not fit with the lifestyle (S32-Teacher).

Appendix 5: Exemplar Statements: Collective Memory in Esquel

Exemplar statements	Gastre	Esquel
Slogans used	Our organization against the nuclear waste repository was a decision of the people, the consequence of our daily actions, it was created by the people itself, the community itself. (Gastre activist quoted by Dichdji, 2018)	*No a la Mina* was created by the people of Esquel, in our daily resistance, it was the decision of the sovereign community of Esquel (PM05-Public Meeting *Autoconvocados*, similar wording in *No a La Mina* leaflets)
Strategies promoted	Chubut is standing and says no to nuclear waste, No to nuclear waste, Yes to life. (chants sang in mobilization against the nuclear repository in Gastre, Dichdiji, 2018)	Esquel is standing and says no to the mine, *No a la Mina*, Yes to life. (O: chanted in *No a la Mina*, public meetings and mobilizations)

Appendix 6: Exemplar Statements: Collective Emotions in the Community, Esquel

Collective emotion	Exemplary quotes
Negative emotions: Outrage, anger	Once we knew the details of the project, the massive extractions of water from the only sources that supply the whole town, the use of cyanide, the explosions, we were in shock. It was a shared feeling of betrayal and disbelief. Anger as well, that the government and the foreign companies underestimate us so badly, that they think they can so easily buys us and makes us trade our principles, our lifestyle, the future we want for our children, it felt like a slap in the face. (S29-Journalist).
Positive emotions: pride, joy	After the plebiscite I felt, let's say, proud to be in Esquel, and let's say, well, we did it and I participated in this! that it is so difficult to fight against the government and that communities rarely come together as we did. (C17-Clergy 2). We went to sleep with this lightness in your heart that you are part of something that is fighting for something worthy. I can't explain it to you, because it made people go through hardships, but it was so satisfying, the blood ran through your veins, it was very emotional. The assemblies were emotional, the acts that were held, we made a symbolic closing, we were hundreds and hundreds of us. (C10-Autoconvocados).