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The Mining Industry and Corporate Social Responsibility: Evidence from Two Mining Communities in Ghana

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ABSTRACT

There is an ongoing debate on the relevance of corporate social responsibility (CSR) and its ability to provide visible development. In this study, we consider two major mining companies in Ghana, AngloGold Ashanti and Newmont Ghana Gold Limited, and draw on a sample from communities in which these companies operate in order to determine the impact of CSR on various dimensions of community development. We find that, in Ghana, the debate is not about whether CSR is developmental or not but rather what strategies and policies can help increase CSR efficiency. Findings suggest that CSR accounts for several visible infrastructure in mining communities. However, there is a major flaw in empowering community members and improving their livelihoods.

Keywords: Mining, CSR, Ghana

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1. INTRODUCTION

Most mining communities in the developing world also double as residential areas for most people. For instance, in Ghana, mining communities such as Obuasi amongst others have been identified to have over 175,000 residents (Ghana Statistical Service, 2013). This, in principle, presents several threats to inhabitants of mining communities. Thus, given the diverse environmental impacts associated with the extraction and use of minerals, and the social impacts on the local communities associated, it is expected that the mining industry and communities work together to ensure sustainable exploitation of mineral resources. Where this is not done, there are invariably many conflicts and confrontations between mining companies and communities.

Mining in Ghana predates its independence and over the years, the industry has established strong roots in communities and has contributed to the country's economic growth significantly. Over the past few decades, beyond the industry's contribution to Ghana's gross domestic product (GDP), the sector employs over 21,000 people (Aryee, 2001). In recent years, as a way of giving back to society, the global mining industry has taken up the mantle of Corporate Social Responsibility (CSR) and this is also the case for the industry in Ghana.

The mining industry in Ghana not only considers its CSR as a mechanism of giving back to society but also as an evolution growing into a long term community sustainable development plan. Thus, mining companies collaborate with communities in which they operate and even beyond, to initiate and fund projects that aim at economic and social development. Despite these efforts, pertinent concerns are raised about the feasibility and success of such projects. For instance, developmental challenges in Ghana coupled with high levels of poverty especially in rural areas have raised doubts about the ability of the state to facilitate economic and social transformation. Thus, in the absence of viable state infrastructure and economic conditions to act as catalyst in promoting the success of initiated projects, CSR is likely to be impeded.

Over the years, mining companies have adopted various CSR policies and projects, particularly within their region of operation, with the intention of improving the livelihood of community members. For several companies, CSR has become a tool for community development. While several studies have examined the impact of the mining industry on economic performance (see, e.g., Dorian and Humphreys (1994), Kitula (2006)), very few

studies examine the efficacy of CSR as a development tool. Thus, it is yet unclear whether CSR initiatives have contributed effectively and adequately to social transformation. Particularly, for a country like Ghana which has a very large and growing mining industry, it is important to ascertain the extent to which CSR practices are developmental. Moreover, in the case of Ghana, it remains to be identified the ideology behind the practice of CSR and the perception as well as relationship between mining community members and the mining companies. As a result, in this present study, drawing on evidence from Ghana, particularly the role of two major mining companies, AngloGold Ashanti (AGA) and Newmont Ghana Gold Limited (NGGL), we examine the role of CSR in socio-economic development. We also assess the perception of mining communities on the effectiveness of CSR initiatives made by mining firms. Furthermore, we examine if the CSR policies adopted for use by our two case study firms are systematically different. Thus, we explore what fundamental principles govern the performance of each mining firm in terms of CSR and initiatives implemented. Lastly, we evaluate the performance of CSR initiatives in dealing with social and economic issues of mining communities in Ghana.

2. THE EVOLUTION OF CSR

Various definitions have been presented for CSR given that it is driven by various principles and viewpoints (Carroll, 1999). Thus, depending on the point of view, CSR could encompass or exclude certain components. Also, as an evolving concept, it describes a wider range of corporate activity. For instance, Doucin (2011) argues that in China, governmental directives for state-owned companies and export companies encourage CSR as a way to create a “harmonious society” and improve the international image of the country. On the other hand, in Denmark, CSR is considered a way of defining a collective quality label for national industry, with the aim of conquering new foreign markets. In India, authorities encourage the use of CSR as an instrument for curbing threats of public unrest spurred by globalization, which widens social inequalities. However, all of the above interpretations actually have a common core, that is, they all present a social, environmental or economic focus.

CSR as a concept is not new. It dates back to philanthropic work of wealthy business owners such as John D. Rockefeller and Andrew Carnegie, who gave away millions of dollars towards social causes (Steiner & Steiner, 2006). Blowfield and Frynas (2005) argue that the modern precursors of CSR can be traced back to 19th century boycotts of foodstuffs, which were produced with slave labour. However, the concept of CSR gained popularity in the 1950s

when the economist named Howard R. Bowen published his seminal book entitled 'Social Responsibilities of the Businessman' in 1953 (Doucin, 2011). Bowen (1953) argues that it is in the self-interest of businesses to improve society through voluntary action, as this could potentially avert the formation of negative public opinions and unwanted regulations (Steiner & Steiner, 2006). This concept was later supported by arguments presented by Whellams (2007) which suggests that early forms of CSR (such as corporate philanthropy and the establishment of employee welfare programs) is one of the things that kept Americans from becoming hostile towards large corporations in the early 20th century.

CSR used to be equated with corporate philanthropy but since the late twentieth century, most organisations have shifted from sharing profits with the community as an act of philanthropy (Ocran, 2012). Now, most companies embrace everything from charitable donations and social investment to the direct integration of vulnerable populations into a corporation's regular business practice (Gutiérrez & Jones, 2005). Some authors argue that such programs and policies were used formerly to deflect criticisms of a firm's social or environmental misconduct (Zadek, 2001), but now are being used as a tool to reduce the negative social and environmental impacts of their businesses, and to maximize the positive impacts of their investments, particularly in developing countries (Utting, 2005). In recent times, it is more predominant to see firms incorporating communities' project preferences into their CSR policies. In some communities, most projects now proceed and are managed by the communities themselves with support from firms. This has led to an increase in investment in corporate environmental and social responsible behaviours.

Arguments in Favour of CSR

Two major perspectives exist when it comes to the usefulness and efficiency of CSR to society. The first concerns benefits to companies and the second, benefit to societies in which the firms operate. With regards to benefits to the company, one school of thought maintains that CSR is a way of getting companies richer given that it serves as an advertisement for the firm. It is argued that CSR, though primarily aimed at benefitting society, is seen as a profitable venture and that there is a 'business case' for doing so, with the basic premise that "you do well by doing good". Proponents of CSR argue that CSR initiatives can help companies manage risk and improve their reputation and public image by strengthening the ties between companies and the communities in which they operate (Hopkins, 2004). According to this school of thought, social participation increases if corporate activities

benefit societies. Thus, with this social cohesion in place, conditions for operation become viable with a stable environment. This is often referred to as 'social license to operate' (see Goddard (2005)). Others have also argued that CSR gives companies a competitive advantage, particularly when vying for contracts (see, e.g., Vogel (2005)). For example, Frynas (2005) observes that in a number of mineral-rich countries, socially responsible companies have been favoured by governments when awarding concessions.

On the other hand, regarding benefits enjoyed by communities, it is argued that in places with weak regulatory capacity, CSR can benefit society by introducing higher levels of social and environmental performance than those required by local law. In developing countries, legal requirements often lag behind social standards, thus, voluntary initiatives such as CSR can temporarily augment them. Therefore, Blowfield and Frynas (2005) suggest that CSR can be useful and act as a catalyst which would cause government and national legislations to be enforced promptly. Closely related to this, the advent of multinational corporations (MNCs) in developing countries can help with the transfer of technologies through their voluntary actions which make operations less harmful to the society. In addition, in developing countries, MNCs through the implementation of CSR respond more promptly to the development needs of society than the government which in most cases are seen by citizens as corrupt and insensitive to their needs.

Arguments against CSR

Two major schools of thought exist that present arguments against the usefulness of CSR. One maintains that CSR is 'bad capitalism' while the other suggests that it is 'bad development'.

One notable critic and proponent of CSR as bad capitalism is Friedman (1970). Friedman (1970) argues that the sole aim of business should be profitability and thus resources channelled towards CSR are not maximized. Some recent studies (see, e.g., Henderson (2001)) support the views of Friedman and iterate that CSR has the potential of undermining the market economy as well as decrease economic freedom. These arguments contradict the views of CSR proponents who maintain CSR does not necessarily divert shareholder wealth into non-profitable ventures but rather provides security for companies as it gives it a good image, which in the end may increase profit.

A second criticism of CSR is that it may reduce governments' motivation to fulfil their responsibilities to their citizens, and potentially encourage communities' dependence on a corporation. This is problematic as corporations lack the democratic credentials to serve the public good (see Friedman (1970) and Crook (2005)). Campbell (2012), suggests that business engagement in social and community development is more likely than not, destined to be superficial, short termed, and neither equitable nor sustainable given that in most cases they act in the interest of profitability and not community development. Contrary to this, conclusions drawn by Blowfield (2005) suggest that CSR is only intended to complement the regulatory framework established by governments, rather than to relieve governments of their duty to serve the public interest.

The second school of thought indicates that CSR is bad development and suggests that CSR does not delve into crux of societies' problems and therefore cannot deal with it effectively. Blowfield (2005), buttresses this by saying that poverty exists mainly as a result of political, social, or economic structure, rather than issues of capacity, access, and opportunity. In this case, CSR is unlikely to provide a solution. In addition, it is argued that firms, in the interest of profitability, choose their CSR initiatives carefully and thus most projects embarked on do not deal with societal problems to the core (see Utting (2005)). Thus, Kemp (2001) indicates that while many do not question the notion of CSR, the application and relevance of CSR are often issues of concern.

CSR in Ghana's Mining Industry

In most developing countries, mining companies have continually been criticised and accused of acting socially and environmentally irresponsible. Thus, as a strategy to offset these criticisms, the mining industry has developed CSR initiatives as part of their business strategies, with the aim of building a more friendly relationship with the societies in which they operate. As a result, CSR is a major tool that gives the mining industry the social license to operate as it has been identified to calm down community activism against mining companies extensively (Hilson, 2012). CSR programmes of mining companies tend to focus on community initiatives with much concentration on interventions in the areas of education and health amongst other things. According to Humphreys (2000), evaluating the success of CSR programmes can be difficult. Thus, most firms rely on a few indicators in order to note their success. For instance, for most firms, the absence of tension between the firm and the community and the absence of dispute and litigations are considered indicators of CSR

success. While for the community, the presence of some visible infrastructure usually suffices.

In Ghana, there are no comprehensive CSR policies or laws. However, there are a variety of policies, laws, practices and initiatives that together provide a viable framework for CSR initiatives to be implemented. At the moment, the government responds to CSR issues by mandating and facilitating CSR-friendly practices. However, plans are underway to pass a national policy on CSR in the mining sector which will define parameters by which the mining and other corporate entities operate to improve the livelihoods of people within their catchment area.

3. STUDY DESIGN

We adopt multiple research techniques in order to allow a wider and varying scope to capture as many details as possible in addressing our research questions.

First, for data collection, interviews were conducted, as well as focus group discussions and document analysis. Due to various limitations, particularly with regards to time and funds, fifty-five (55) community members each were interviewed in Ahafo and Obuasi. Semi-structured interviews were conducted in order to ascertain community perceptions of mining companies CSR in the respective areas. Interviews were conducted between June and July, 2013. In the communities, the interviews were predominantly conducted in the local language owing to the literacy level of respondents. Considering the population from which we draw our sample, our sample size appears to be relatively small. However, drawing on inferences made by Baxter and Eyles (1997), we conclude that the small sample size does not necessarily impair the credibility of qualitative research. Baxter and Eyles (1997), indicate that the number of participants required for any research project is a function of the purpose and nature of the study. Given that this is a pilot study preceding a major study which is expected to have a wider coverage, we argue that our sample, although somewhat small, serves its purpose.

Second, we also expand our sample base significantly by conducting focus group meetings. These groups mainly consist of adults and youth, males and females, with the aim of capturing various perspectives. In addition, three (3) high level staff of each company were interviewed and these individuals remain anonymous for ethical reasons. Furthermore, in the interest of objectivity, we conducted semi-structured interviews with staff of local

government authorities (LGAs) and district and municipal assemblies. Secondary data was also collected from other sources such as company reports, company databases, districts/municipal assembly databases and websites of the various institutions.

4. GHANA'S MINING SECTOR AND THE CASE STUDY INSTITUTIONS

All mining activities (both large and small scale) in Ghana account for an area of about 31,237 kilometres squared. This represents about 13.1% of the country's total land area (238,608 kilometres squared). The industry accounts for about 5% of the country's GDP and minerals make up about 37% of total exports, out of which gold contributes over 90%. Ghana also produces 10% of the world's gold and ranks second in Africa's gold production (Firman, 2008). The Minerals Commission of Ghana has been established by the Constitution to regulate mining activities in the country, and manage the utilization of mineral resources in Ghana as well as co-ordinate policies in relation to minerals (Atuguba, Dowuona-Hammond, Saani, & Atta-Kesson, 2006).

The current law governing mining activities in the country is the Mineral and Mining Act, 2006 (Act 703) and the 1992 Constitution. Prior to the enactment of Act 703, the basic law was the Mining and Minerals Law, 1986 (PNDCL 153) coupled with other associated legislations and amendments, which have all been repealed by the current law (Act 703). In addition, the Environmental Protection Agency (EPA) Act of 1994 (Act 490) empowers EPA to ensure compliance with the environment assessment regulations and to prescribe standards and guidelines relating to the pollution of air, water, land and other forms of environmental pollution (Tsuma, 2010).

Our choice of case study institutions was informed mainly based on the status of the firms. AngloGold Ashanti (AGA) is the mining company that handles Ghana's largest and oldest mining site. Thus, much is expected of them in terms of their impact on the Obuasi community. In this regard, we consider this institution in order to examine whether or not the length of operation affects the performance of companies in terms of CSR. On the other hand, Newmont Ghana Gold Limited's Ahafo mine is fairly younger as operations started in 2004. We chose this institution for two main reasons. First, it is a younger company in terms of operations in Ghana and it gives a reasonable basis for a comparison with AGA. Second, NGGL seeks to be the model mining company in relation to CSR. Thus, with their specific

focus on CSR, it is worthwhile to examine whether this is reflected in the communities in which they operate.

AGA is a multinational company and a leading global producer of gold. It is involved in metals and mining of different kinds of mineral resources all over the world (AGA, 2007). AGA has two operation sites in Ghana; the Obuasi mine in the Ashanti region and Iduapriem mine in the Western region of Ghana. The Obuasi operations were assets of a Ghanaian based company, Ashanti Goldfields, but ownership was transferred to AGA in 2004. The operations of the Obuasi mine, a 460 kilometres squared concession of AGA, takes place in the Obuasi municipality, one of the 26 districts of the Ashanti Region, with an estimated population of over 175,000 (Ghana Statistical Service, 2013). The municipality is located at the southern part of the Ashanti region of Ghana, covering a land area of about 162.4 kilometres squared with 53 communities in the municipality. Prior to 2007, when the department of community and social development (CSD) was set up, AGA only made philanthropic donations to the community at their request and did not have CSR incorporated into their business. Currently, AGA has CSR as part of their value system and activities are overseen by the CSD.

NGGL holds two mining concessions in Ghana, the Ahafo and Akem concessions. The former is located in the Brong Ahafo Region while the latter is in the Eastern Region, both wholly owned by Newmont. Ghana is one of five core-operating districts for Newmont Mining Corporation, a leading gold producer that also has other key assets in North America, Peru, Australia, New Zealand and Indonesia headquartered in Colorado, USA. (NGGL, 2012). Newmont's operation in Ahafo started in August, 2004 with the vision of becoming the most valued and respected mining company with leading performance in the industry. The company also places significant emphasis on CSR. The Newmont Ahafo mine is in the Asutifi District of the Brong Ahafo Region. The district covers an area of 1,500 Kilometres squared with a population of over 140,000, who are predominantly farmers. The district capital is Kenyasi, located 6 kilometres south of the Ahafo Mine Site and approximately 50 kilometres from the regional Capital, Sunyani. To date, the Ahafo Mine area has impacted approximately over 1,705 households where either farmlands or houses have been taken by the mine (NGGL, 2012).

5. FINDINGS

5.1. AGA and the Obuasi Community

A major CSR initiative started by the AGA is the Obuasi Malaria Control Programme (OMCP). This initiative commenced as an attempt to address some of the social problems of the Obuasi municipality. The initiative came up because of the high incidence of Malaria in the area. Starting in April 2006, the programme aimed to achieve a 50% reduction rate in the incidence of malaria in the Obuasi municipality. The programme mainly uses Vector Control Indoor Residual Spraying (IRS) that involves the spraying of walls in every home in the Obuasi municipality, with the aim of destroying the mosquitoes that transmit the malaria parasite. The IRS is done every six months and since it is labour intensive, it creates temporary employment opportunities for the community. However, the programme faces threats of curtailment given that over US\$ 8.6 million has been spent on this initiative since its inception (Annan, 2013).

Inferring from statistics delivered by the AGA, there has been close to a 90% reduction of malaria cases in the municipality since the inception of the OMCP. This has in turn led to a reduction in infant and maternal mortality rates as well as malaria related absenteeism at school and work, thereby increasing productivity. The lucrative salary paid to sprayers also discourages the youth from venturing into artisanal mining, which is unsustainable and destructive to the environment. Due to its success, the OMCP has received a Global Fund grant of US\$130million for the extension of the OMCP to 40 districts in Ghana (Annan, 2013).

A major challenge faced during the implementation of the OMCP is that of insecurity. Given the level of crime, some residents felt insecure about granting access to sprayers into their homes. Most community members did not feel comfortable allowing strangers into their homes. However, this incidence was minimized after residents were educated and the awareness created that sprayers had been screened by the police. In addition, the OMCP faces threats of termination, especially when the mine closes down in the community since there are no long term plans to ensure continuity of the programme.

Beyond the OMCP, another initiative which has been implemented by the AGA in the Obuasi community is what has been called the Alternate Livelihood Projects (ALP). The ALP aims at discouraging artisanal mining and as part of these projects; AGA implemented a piggery

and garment project. The piggery project is aimed at meeting the protein needs of the community, and is expected to develop into an industry where there will be a processing plant to process the meat into sausages and bacon amongst other things for commercial purposes. This project operates in six communities, Mampamhwe, Jimisokakraba, Ahasonyewodea, Binsere, Adaase and Sanso. As part of the scheme, three families have been selected in each community and each family provided with a four-room pig sty, three pigs (two gilts and one boar), feed and veterinary services as well as two weeks of training.

The piggery project serves as a source of income for the beneficiaries and also improves upon the food security of the people. Though a laudable project, it has not seen much success in terms of expansion. Firstly, residents and some beneficiaries of the piggery project believe this project was an imposition given that they were not consulted before the implementation. In addition, interview with some beneficiaries revealed that the AGA does not supply animal feed adequately as promised, making rearing the animals difficult as they cannot afford to buy feed themselves. In addition, the proposed expansion of the project to include a factory for the processing of meat into sausage and bacon has since not been implemented. Based on feedback from community members, we speculate that this might be due to the lack of support from the community given that this project is not a project of their choice. Furthermore, the lack of community engagement prior to the commencement of this project has led to some tensions between the community and the mining company.

The garment project is located in Gausu. This initiative aims to outsource production and supply of AGA workers' overalls to a local business entrepreneur. Hitherto, the overalls were imported from South Africa. The garment factory which started in 2008 is owned partly by a private individual and the Obuasi Taylors Association (OTA). The main challenge of the garment project is the high cost of production due to the importation of materials. In addition, we observed only a section of the community benefited from the project.

Lastly, the AGA also embarks on the Community Trust Fund (CTF). The CTF was set up to meet a statutory requirement within the Merger Stability Agreement, which is to contribute 1% of its after-tax profits to community development. The CTF also meets up with the AGA's management standard for social investment and local economic development (Annan, 2013). Launched in September 13, 2011, the CTF is overseen by a seven-member board of trustees and a 32 member steering committee. The first funding decision of the CTF board was the purchase of eight mini buses for selected senior high schools and 110 desktop

computers for selected junior high schools at a total cost of GHC727,948 (approximately USD300,000).

AGA as part of its CSR also invests in infrastructural projects such as construction of schools and roads amongst other things. The company also contributes significantly towards the celebration of teachers' and farmers' days in Obuasi, days set aside by the government of Ghana to honour teachers and farmers respectively. The celebration of the teachers' day has been purported to be a great motivation to teachers in the municipality which increases their productivity. As a result, it is believed that since the inception of the teachers' day celebration, there has been tremendous improvements in the performance of junior high school students, thus, making Obuasi come first in the national rankings for student performance (Okrah, 2013).

5.2. NGGL and the Ahafo Community

A major CSR initiative of the NGGL's is the Agricultural Improvement and Land Access Programme (AILAP). AILAP, which started in 2006, is one of NGGL's unique CSR initiatives designed to assist and compensate farmers directly impacted by mining activities. It is aimed at re-establishing and improving crop productivity. The programme is confined to farmers whose lands have been acquired by NGGL for mining. Packages for the AILAP include agricultural inputs for up to two acres of land, free clearing and farm inputs. In addition, the company has established a land administration office which is responsible for land registration and monitoring of farmers. Ghana's Ministry of Food and Agriculture (MOFA) and Opportunities Industrialization Centers International (OICI) are partners under the programme, and are responsible for implementation and oversight. MOFA extension officers provide services toward effective distribution of inputs and improved farming techniques. This program ensures that farmers get an alternative source of livelihood and also helps to maintain the food production capacity of the area (Amankwah, 2013).

Evidence suggests that the AILAP has successfully reinstated farmers, ensuring the continuation of farming activities, thereby increasing crop production, promoting crop diversity, facilitating access to land, as well as provision of free farm inputs and extension services to the farmers. In addition, training, monitoring and advisory services given by extension officers has enabled farmers to perform better even leading to the receipt of national best farmer awards by farmers within Ahafo and surrounding communities.

However, according to residents, a major challenge faced by this programme is NGGL's acquisition of farmlands under the programme as the need for mine extension arises. This leaves affected farmers vulnerable and causes them to lose several years of farming investment just to start all over again at a newly assigned farmland.

In addition to the AILAP, NGGL also operates the Newmont Ahafo Development Foundation (NADeF). NADeF is a sustainable community development Foundation, which was established in May 2008 through an agreement developed and signed between NGGL and the Ahafo Social Responsibility Forum (consists of 10 Ahafo Mine Communities, Local Government Authorities, Regional Government and Civil Society). The aim of the NADeF is to support community development programs in the area of the NGGL's Ahafo mines operations. The annual contribution from NGGL towards the NADeF project comprises \$1 per ounce of gold produced and 1% of the net profit from the Ahafo mine. Thus, as part of NGGL's annual contributions to NADeF, 10% of the total amount is set aside to create an endowment fund. The NADeF is believed to channel funds towards economic empowerment, provision of infrastructure, development of social amenities, human resources development and sports amongst other things.

NADeF has also ensured the provision of classroom blocks, libraries, ICT centre, teachers' and nurses' quarters to communities in the districts. This has improved access to formal education tremendously. A NADeF scholarship programme has also granted over 3000 senior high and tertiary students access to quality education. In addition, NADeF has a microcredit scheme that has provided and enhanced alternative livelihood sources to the communities.

Lastly, NGGL also embarks on a project called the Vulnerable People's Program (VPP). VPP is a mitigation package aimed at cushioning households within NGGL's mine-impacted communities who may experience severe transitional hardships due to the development of the mine. The program assists the beneficiaries to become self-sufficient within a maximum of 3-4 years. This voluntary package funded by NGGL is done in addition to compensation and resettlement packages paid to persons whose land or farms have been acquired for mining purposes. As of December 2012, \$2,154,917 had been spent on the programme, with funds benefiting over 700 individuals. These individuals have access to healthcare and over 70 students given scholarships to complete high school education.

6. DISCUSSIONS, POLICY IMPLICATIONS AND CONCLUSIONS

As shown in the previous section, for both mining companies, CSR projects span across a wide and diverse spectrum of activities within the communities. This is so because mining firms are highly esteemed and expected to act as key sponsors at almost every programme and project within the regions of their operations. A critical look at the projects undertaken by AGA shows that even though it has undertaken numerous projects, mainly due to the longevity of their mining operations, most of these projects consisted of infrastructural development in the communities with very little focus on economic empowerment of the people. Thus, although communities have benefited from CSR projects, the focus of most projects did not seem to have been on crucial issues like livelihood improvement. Even with the existence of schools and hospitals, some of which were established based on CSR funds; patronage to these institutions is still low. This suggests that livelihoods have not been improved sufficiently to make individual take advantage of, and pay for, their health and education.

In this regard, it could be said that companies focus on the most cost effective and least time consuming projects to them. Thus, we note that most CSR projects focus largely on infrastructural development and not on more resource demanding projects that may improve upon livelihoods. This does not in any way suggest that the provision of crucial infrastructure in communities does not contribute significantly to economic development. Our argument suggests that beyond infrastructural development, which appears to be the core of most CSR projects, economic empowerment should be a priority as well, since it would in the long-run, aid in livelihood improvement. One explanation offered by the mining companies which explains why much focus is put on infrastructure development is that individuals prefer to indulge in illegal mining (commonly known in Ghana as ‘galamsey’) rather than livelihood projects started by CSR initiatives. This is because illegal mining has been identified to generate more money in a relatively shorter period of time. Thus, in the end individuals appear to be uninterested in livelihood improvement projects that CSR initiative funds.

Undeniably, owing to CSR infrastructure development, the level of economic activities improves, which results in development. This is of course a notable achievement given that a critical look at the economic impact within these mining communities is encouraging. The point however is that there seems to be an uneven distribution of resources between the provision of enabling factors such as infrastructural enhancement and the equipping

individuals to harness these infrastructures to the fullest. Thus, beyond the idea that individuals are interested in ‘galamsey’, a question which is worthwhile for future research is to determine the capacity of these projects in effectively bringing about rapid and sustained development. Furthermore, a more intriguing question to ask is what drives the practice of CSR in this manner?

We note that CSR presented an opportunity for mutual benefit for both the mining companies and the community. For the mining companies, the benefits could be defined in terms of the companies’ ability to stay in production and measured in terms of profits made. On the other hand, the community’s benefit from CSR projects was usually in the form of compensations for damages due to operations, and also infrastructural development. However, although the benefits to the companies can be clearly quantified and even targets set to achieve these, the expected benefits to the community seem to be captured in vague political phrases, where they are led to believe they are in a better state than before. Inherently, a relevant question to ask is there any visible development in the lives of community members and how much better are they than before? Our argument here is that the very fundamental driver of CSR presents a situation where CSR projects are immeasurable against any standards. Counting visible infrastructure as an achievement does not necessarily affect livelihoods. Thus, a relevant policy implementation is to set standards which would allow the understanding of what CSR seeks to achieve and how it visibly affects livelihoods. In addition, we find that some level of tension exists since community members believe they are not involved in decision making. Cooperation between community members and mining firms would not only curb any tension but also position the mining companies to understand the needs of the community and act best interest of both parties. This can go a long way to affect the livelihood of community residents.

From another perspective, both mining companies have designated offices that are responsible for the implementation of CSR projects. The core of these offices presents some significant differences and similarities. With regards to similarities, the setup of these offices appears to achieve business functionality and benefits to the firm rather than CSR efficiency and its benefits to the community. In addition, both mining companies place high value on consultations with stakeholders in the implementation of projects. Thus, both companies currently operate CSR with a bottom-up approach by consulting stakeholders in decision making. In addition, major developmental agencies within the region as well as local

traditional authorities appear to be very influential in CSR decision making. This appears to deal with the problem regarding interaction between community members and mining companies. Although, all members of the mining community are not involved in CSR decision making, community leaders are now involved. For instance, AGA's Community Trust Fund established in 2011 suggests that representatives from each community would present proposed projects for their communities for deliberation and the most viable in terms of scope, need and relevance would be accepted and implemented annually. Similarly, we observe that NGGL CSR initiative also allows for a more direct engagement with the developmental challenges of the community. This is seen in the level of autonomy enjoyed by NADeF, which though an NGGL CSR office, is effectively independent of NGGL in terms of the policies and projects it runs. On the other hand, a critical view of the projects undertaken by AGA towards achieving livelihood improvement reveals that two out of the three projects have to do with providing solutions to AGA's own needs (i.e., getting rid of old mine pits and the supply of garments for employee uniforms).

Community members were loath to describe CSR from the mining companies as excellent, with most ranking it between 60% and 70%. Communities not located within proximity to the mines were not as gracious with commendation as they felt that not much benefit had been extended to them as other communities. In some cases some respondents were highly negative about the companies, and a quick run through the projects undertaken by the companies either revealed they were unaware or felt they had been denied access. This suggests that some form of communication gap exists between the CSR offices and the communities which could be attributed to the use of community representatives. This appears to be a major problem. To some respondents, the use of community leaders/representatives is flawed as it does not convey the wishes of the entire community but just a select few. Furthermore, our results indicate that livelihood improvement projects such as business loan and scholarship schemes were usually issued in a biased manner given that most recipients are relatives of community leaders or the leaders themselves. For instance, we find that loan beneficiary lists have not been updated to include new recipients however old participants had their loan portfolios renewed over and over again. In Obuasi for instance, some respondents indicate that they had to pay money illegally to be put on the list for some of these schemes. Thus, although a bottom-up approach to CSR decision has been adopted, this is not effective since it has been challenging to identify the right recipients for assistance. This suggests that there is poor oversight in ensuring that intended beneficiaries of projects

are reached. As such, it is in the best interest of mining companies to ensure that community leaders and representatives represent the best interest of all community members. A division of the CSR office can be established to monitor this rigorously.

For some community members, mining companies have not lived to their promise. For instance, in Obuasi, a community relocated due to mining activities had been supplied with the relevant infrastructural needs to resettle in a new area. However, the community members indicate that alternative livelihoods that they have been promised in terms of farmlands had not been provided. This contrasts with information we gathered from AGA, which indicates that the lands had been provided but community members failed to utilize them and this led to the transfer of land to others.

In conclusion, many issues can be raised about the practice of CSR by companies particularly in Ghana's mining industry. A look at the economic impact assessments in the mining areas indicates that the presence of the mine and its component CSR projects have improved these communities. We find that CSR can aid in bringing visible infrastructural development. However, beyond this, we find that livelihoods are not improved. Further studies can examine ways through which CSR can affect livelihoods of mining communities and not only infrastructural development.

In addition, although mining companies adopt a bottom-up approach in its practice in order to tackle the actual problems of the community, the execution of this approach is flawed. This is evident given the level of bias associated with how recipients or CSR beneficiaries are chosen. Thus, it would be relevant for mining companies to review their system which enables them to monitor and control the implementation of projects. Community representatives appear to act independently and in their own interest and this impede the success of CSR initiatives.

Although there remain a number of challenges to making CSR effective for development, especially for livelihood improvement, overall CSR in Ghana's mining regions can be considered helpful and good for development. Thus, in the case of Ghana, the debate as it appears is not about whether CSR is developmental or not but rather what the best policy structures are in making CSR more beneficial. A relevant policy implication is that mining companies need to pay more attention to their investments and make sure projects are executed efficiently and optimally to the benefit of all. The bottom line is that companies

have profit making goals, but bringing about development through CSR can only be achieved if extra effort is put into ensuring CSR initiatives are well implemented. Lastly, given the sample limitations of this study, future research can expand the sample size to examine if a larger sample would present findings that corroborates the ones reported in this study.

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