EVALUATION OF CORPORATE SOCIAL RESPONSIBILITIES OF MINING COMPANIES IN THE WASSA – WEST DISTRICT

BY

JAMES KWEKU DADZIE

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JAMES KWEKU DADZIE

2008
DECLARATION

Candidate’s Declaration

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this University or elsewhere.

Candidate’s Signature: ……………………… Date ………………………

Name: JAMES KWEKU DADZIE

Supervisor’s Declaration

I hereby declare that the preparation and presentation of this dissertation was supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor’s Signature: ……………………… Date: ………………………

Name: REV. FR. DR. FELIX REX AMOFA
ABSTRACT

This study seeks to evaluate the mining companies in Wassa West District’s social responsibilities from the community members and other stakeholders’ perspective. The specific objectives included the identification of the approaches the mining companies are using to respond to the call for Corporate Social Responsibilities (CSR), the mining companies’ contribution to host communities’ health care system, educational development, employment and how stakeholders view the sustainability of host communities in the event of mine closure.

The research was based on voluntary contribution aspect of CSR. A case study design was adopted for the study. Interviews were conducted on the mining companies whilst the community members and other stakeholders were surveyed using five point likert scale questionnaires to obtain data responses regarding mining companies’ social performances. Frequencies and percentages were calculated using SPSS software and transcription from interviews responses to describe the data collected and to answer the research questions.

It was found from the stakeholders’ perspective that mining companies are not using social contribution approach to CSR. Community members are not satisfied with the contribution of mining companies towards their health care, educational development and employment except scholarship awards and alternative livelihood projects for host communities. Communities cannot stand the test of sustainability during mine closure. It has been recommended that
mining companies should do more in terms of health care delivery, educational
development and employment creation for their host community members.
ACKNOWLEDGEMENTS

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To my family and friends, I am plagued at your great love, understanding and prayers.
DEDICATION

To my wife Josephine Dadzie and my children Adjoa Baaba, Kwame Otu and Ato Kwamena Dadzie.
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<tr>
<td>AGAI</td>
<td>Anglogold Ashanti Iduapriem</td>
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<td>AGC</td>
<td>Ashanti Goldfields Company</td>
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<tr>
<td>AGL</td>
<td>Abosso Goldfields Limited</td>
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<tr>
<td>AWDHMT</td>
<td>Adansi West District Health Management Team</td>
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<td>GSRBL</td>
<td>Golden Star Resources Bogosu Limited</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>DA</td>
<td>District Assembly</td>
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<tr>
<td>DCD</td>
<td>District Coordinating Director</td>
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<td>DHS</td>
<td>District Heal Services</td>
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<td>DLO</td>
<td>District Labour Officer</td>
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<tr>
<td>EPA</td>
<td>Environmental Protection Agency</td>
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<td>GCM</td>
<td>Ghana Chamber of Mines</td>
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<td>GES</td>
<td>Ghana Education Service</td>
</tr>
<tr>
<td>GGL</td>
<td>Goldfields Ghana Limited</td>
</tr>
<tr>
<td>GMC</td>
<td>Ghana Manganese Company</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>Human Immune Virus/Acquire Immune Deficiency Syndrome</td>
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<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
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<tr>
<td>NGO</td>
<td>Non Governmental Organisation</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>PO</td>
<td>Planning Officer</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<td>PS</td>
<td>Purposive Sampling</td>
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<td>SGL</td>
<td>Sankofa Gold Limited</td>
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<td>SPSS</td>
<td>Statistical Package for the Social Scientists</td>
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<td>SRI</td>
<td>Socially Responsible Investment</td>
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<td>SRS</td>
<td>Simple Random Sampling</td>
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<tr>
<td>TLM</td>
<td>Teaching and Learning Materials</td>
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<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organisation</td>
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<td>WACAM</td>
<td>Wassa Association of Communities affected by Mining</td>
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<tr>
<td>WATSAN</td>
<td>Water and Sanitation</td>
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<td>WBCSD</td>
<td>World Business Council for Sustainable Development</td>
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CHAPTER ONE
INTRODUCTION

Background

A number of theories have been propounded to explain the objective of the firm (organization). The generally accepted objective of the firm in the field of finance is to maximize the wealth of shareholders. In other words, it is to increase the value of shareholders’ investment in a company. Some firms in achieving this objective have failed to recognize that there are other stakeholders whose interest need to be considered. However, they tend to focus on their stewardship and legal obligation such as making profit, paying taxes and royalties, and not doing anything to destroy the environment as postulated by Friedman (1975). Several concerns have been raised by environmentalists, socialists and the development community about this neglect of other stakeholders.

Contemporary practice in management requests organizations to show concern for the impact of their operations on the environment as well as ensuring quality of life in their host communities. This quest for environmental and social concerns has become a major concern for economies where extractive industries play significant roles. Warhurst (1998) revealed that world bodies including United Nations have expressed a wake-up call on industries to work towards sustainable development.
Warhurst (1998) further maintained that in order to manage issue of growth and environment, the development agencies have formulated the idea of sustainable development which is anchored on growth with social protection and natural resource conservation. In the field of mining, according to Catalino (2002), a negative perception has marked mining operations over the years as a result of issues such as extensive damage to water bodies, forest reserves, farm lands and crops, air pollution resulting from discharge of mine tailings, socio-economic dislocation of families and indigenous people in mining areas, leading to a sense of urgency for concerted action as a search for a sustainable future. Nonetheless many mining companies have argued that economic growth is the very precondition for solving environmental and social problems. It generates resources essential for shaping workable solution (The Economist, 2002).

Companies have responded to the call for sustainable development through corporate social responsibility. Many mining companies report good profit, business growth and development, dividend declaration and payments, yet the very host communities and their citizens live in abject poverty. They lack employment, accessibility, potable water, clean air, educational and health facilities. These companies’ returns on investments are usually repatriated to develop their economies to the detriment of the local communities which allowed them to exploit these minerals. As a result, many pressure groups have emerged in most of these communities to protest against such companies or compel them to provide employment and or invest to improve the quality of life of such
communities. This constitutes risk to mining operations and therefore has to be managed.

According to Saro-Wiwa (1991) cited in Ojefia (2006) the traditional economic activities in the Niger Delta of Nigeria such as fishing and farming have been ravaged by pollution and environmental degradation associated with oil extraction. The region has the highest rate of unemployment in the country today. The striking paradox of the Niger Delta is that while it is a treasure base, it is also paradoxically Nigeria’s poverty enclave.

World Bank (1995) indicated that despite its vast oil reserves, the Niger Delta region remains poor. Most mining companies acknowledge that their operations have some form of environmental and social implications, but one of the major issues facing the industry is the ambiguity as to what constitute corporate social responsibility. In view of this situation the Ghana chamber of Mines has over the years organized series of seminars and workshops for management of these established mining companies to address issues of environmental and social concerns.

In spite of such laudable programmes, many host communities and settlements around mining centres have continued to register their displeasure about the negative impact of mining on their health and livelihood. In this regard, Adansi West District Health Management Team (AWDHMT) took Ashanti Goldfields Company Limited (AGC), now AngloGold Ashanti, to task on health hazards which confronted the inhabitants of Sansu near Obuasi as a result of surface mining (Haizel, 1992). Also, Owusu-Koranteng (2005) cited cases of
cyanide spillage by AGC in 1998 which caused people of Bedukrom, Kronko and Attakrom to abandon their farms and migrate to live in other communities. These communities have been living in other communities to date and could be described as refugees without any compensation.

The Wassa West District also known as the mining hub in Ghana has had its fair share of protest, where companies like Goldfields Ghana Limited (GGL), Abosso Goldfields Limited (AGL), AngloGold Ashanti Iduapriem Limited (AGAI), Ghana Manganese Company (GMC), Golden Star Resources Bogosu Limited (GSRBL) and Sankofa Gold Limited (SGL) have been operating for some time now. Besides Tarkwa Goldfields’s accusation of not taking kindly to the discovery of silicosis, a disease of the lungs caused by unrestricted inhalation of dust at the Tarkwa mine in 1966 by Dr. J.C.Nowacki of International Labour Organisation (ILO) (Haizel, 1992); cases of cyanide spillages polluting river Asuman had also been raised against this Company in recent times resulting in court action for compensation (Owusu-Koranteng, 2005).

Issues of unfair compensation for crops destruction and takeover of farm lands for mining activities have also been levelled against AGAI in the Wassa West District by the people of Mile 7 (Owusu-Koranteng, 2005). Much worrying issues have emerged from Prestea and Hemang communities bringing to the fore how the activities of GSRBL have resulted in hurling of rocks on buildings, noise, pollution and carrying active mining very close to the government hospital in the area with shocks from blasting traumatising patients (Owusu-Koranteng, 2005).
The question unanswered is why is GSRBL not relocating the government hospital or the entire township?

**Research focus**

Corporate Social Responsibility is a very broad concept which spans from economic and environmental to social concerns as postulated by Elkington (1997). The economic and environmental aspects have been extensively researched into as far as literature is concerned but the social aspects are still under developing stage. For this reason this research seeks to focus on the voluntary aspect of mining companies’ social responsibility specifically in social areas of health, education and employment. These are also the independent variables for the study. Investments in health, education and employment have the tendency of not only reducing poverty in the mining communities, but also ensuring community development in a sustainable way.

It is therefore believed that if companies are able to invest in health, educational and employment needs of their host communities, then they could be seen to be socially responsible. By so doing they can improve upon their public confidence, profits and reduce their exposure to risk of disruption by the host communities.

**Problem statement and research question**

The mining industry’s contribution to the national economy is enormous as indicated by Amofa (2004) and Ghana Chamber of Mines (2007), but one
wonders whether the same can be said about their social responsibilities to their host communities. With reference to study carried out by Akabzaa (1999), Tarkwa area is engulfed with high incidence of malaria, respiratory tract infection, skin diseases, diarrhoea, land degradation and water and air pollution. These are impact of mining in the area. What has been the response of the mining companies to these problems?

The above problems tend to create some negative perception about imbalanced responsibilities of mining companies in the Wassa West District favouring shareholders, government and their workers with little or no concern for the environment and host communities, which in recent times has generated conflicts between some mining companies and their host communities in the district. This research, therefore, seeks to examine how the mining companies have responded to the call for corporate social responsibility to their host communities, and the extent to which these communities’ and other stakeholders’ perception about the mining companies’ social performances hold sway.

To achieve the objective of the study, the researcher attempts to find solution to this major research question: To what extent are the mining companies in Wassa West District socially responsible to their host communities? Further to this major research question, are the related research questions which are addressed to accomplish the outlined objectives.

i. What methods are being adopted by the mining companies’ to respond to corporate social responsibility?
ii. In what ways are mining companies in the Wassa West District contributing to the development of health and education and employment in their host communities?

iii. How do stakeholders perceive the mining communities’ sustainability after mine closure?

Looking at the rate of conflict emerging among some mining companies and their host communities, it is appropriate to establish what and how the mining companies are doing to support the development of their host communities. It is the expectation of the communities and other stakeholders that the benefit of mining be reflected on the lifestyle of people who are materially affected by the mining operations.

**Research objectives**

This study seeks to achieve the overall objective of examining mining companies’ social responsibility in the Wassa West District.

Specific objectives the study seeks to achieve are to:

1. Identify the approaches the mining companies in the district are using to respond to the call for corporate social responsibility.

2. Examine the mining companies’ contributions to the development of health, education and employment in their host communities.

3. Establish the perception of the stakeholders about mining communities’ sustainability after mine closure.
Significance of the study

This research has provided an insight into how the mining companies are responding to the call for good corporate citizenship as a modern management practice. More importantly, the findings have been added to the body of knowledge with some suggestions on how to reduce, if not completely resolve the current frequent conflicts between mining companies and their host communities.

Based on the findings of the study, management of mining companies can assess their mode of operations and the impact of their social contributions on the lives of their host communities and make the needed corrections where necessary so as to build better relationship between them and their host communities.

Furthermore, corporate reporting has now moved beyond economic reporting to include environmental and social performances. With this study, the management of these mining companies are able appreciate and incorporate social reporting into their corporate reports if they are not doing so currently.

Finally, Corporate Social Responsibility is now seen as a corporate risk management strategy for which mining companies have to manage carefully to avoid confrontation with the host communities.

Organisation of dissertation

The thesis is organized into five main chapters. The first chapter looks at the introduction to the study. This takes a look at the background to the study, statement of the problem and research question and the objectives of the study. It also looks at the significance of the study. The second chapter contains the
literature on the subject matter of the study. The third chapter constitutes the methodology of the study. It considers issues such as the variables of the study, research design, study area, type and sources of data, target population, sample size and sampling procedure and instrumentation. Other aspects of this chapter include discussions on the pilot testing of the instruments as well as data collection, processing and analysis. The fourth chapter looks at issues such as analyses and discussions of findings of the study on the corporate social performances to their host communities in the Wassa West District. The fifth chapter is devoted for the summary, conclusions and recommendations of the study as well as areas for further research.
CHAPTER TWO
LITERATURE REVIEW

Introduction

In order to ascertain answers to the various research questions raised, the available literature were reviewed to see if the previous researchers have answers to these questions and to provide a medium to look out for the missing answers. In this regard, the review looks at the meaning of corporate social responsibility (CSR), the arguments for and against CSR, the approaches to CSR, CSR and sustainable development; health, education and employment as a CSR activity. Finally, a review is also carried out on stakeholder perception about mining operations and the mining communities’ sustainability in the event of mine closure.

Meaning of corporate social responsibility (CSR)

There is no universally accepted definition to the concept CSR. Different researchers define it differently. Drucker (1954: 453) said “the first responsibility of managers to society is to operate at a profit”. The works of Friedman (1975: 264) a classical economist, on the same topic, argued that “there is one and only one social responsibility of business, that is, to use its resources to increase its profit so long as it stays within the rules of the game which is to say, engage in open and free competition without deception or fraud”. Both Drucker and
Friedman while stressing on economic performance as the core of social responsibility, were mainly concerned with the return on investment and maximization of shareholders wealth. However, they failed to recognize that there are other interest groups which have a stake in the affairs of the companies. Dauman and Hargreave (1975) defined CSR as those investments in, and contributions to the wider community, designed to help create a healthy overall environment that a company requires to survive and operate efficiently. They seem to have taken survival as the dominant objective of social responsibility.

Beesley and Evans (1978: 187) also defined CSR as ‘how a company deals with its environment by incorporating external concerns into its decision processes’. But to Sturdivant (1985) CSR is the obligations of the organization to protect and/or enhance the society in which it functions. Both Beesley and Evans and Sturdivant provided a more workable and refined definitions by incorporating the external stakeholders’ concerns into their definitions. This view was supported by Zimmerer and Scarborough (1994) who asserted that companies must go beyond doing well; that is simply earning a profit and do well by living up to their social responsibility.

Though the basic tenet of corporate social responsibility is that society and business are tightly interwoven (Wood, 1991), scholars are still struggling to specify the precise mechanism linking firms and society. In view of this continued search for appropriate definition, Carroll and Buchholtz (2003: 36) defined the concept of CSR in broader terms as the “economic, legal, ethical and discretionary expectations that society has of organization at a given point in
time”. This definition seems to be more comprehensive, but World Business Council for Sustainable Development (WBCSD, 2003) defines the concept CSR as the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life.

For the purposes of this research CSR has been defined as the contributions of body corporate towards eradication of social problems affecting host communities and enhancing the society’s empowerment through sustainable development. The problems of society include health, education, employment, accessibility, and air and water quality. These, the body corporate must help to solve.

Arguments for and against corporate social responsibilities

The ultimate aim of every business is to maximize wealth creation. However, some managers go beyond this objective to include the concern for the society and the environment. This has become an issue of debate among managers, economists and investors.

Arguments for corporate social responsibilities

Davis and Blomstrom (1971) stated that the current ethical concepts are conditioning people to favour more responsible actions. They maintained that businessmen share the attitudes and values of society just as they did a century ago, and they reflect today’s attitudes of more responsible conduct in their
actions. In favour of CSR, Oshagbemi (1984) in his article on “managerial response to social responsibility”, held the view that the concept of CSR seems to be based on two premises. Firstly, he explained that there are some goals which society is interested in accomplishing and that business as social institutions has moral obligations to assist society of which they are a part. The second, according to him, is that businesses contribute to the problems of the society and are therefore expected to help solve these problems and make the society a better place to live.

Megginson, Trueblood and Ross (1984), contended that there are some bases underlying the rationale for a body corporate to assume social responsibility. The first assertion was that since corporations are separate entities, just like individuals under the law, they are assumed to have the same responsibility as individuals. They explained that companies operate at the pleasure of society, so the people can take away a business’ right to operate, if it is not responsive to society’s need. Their second assertion was that by assuming social responsibility businessmen reduce the pressure for government regulation. This means that owners may avoid the high cost of regulations and retain more flexibility and freedom to make decisions. They further maintained that such an action will help businesses to maintain credibility with the general public.

Oshagbemi (1984) believes that there is an ideology associated with this concept. Businesses are viewed to be selfish in pursuits undertaken by private entrepreneurs in the framework of a capitalist system. Thus, the socialists would argue that the system would not make for the satisfaction of greater number of
people unless businesses are socially responsible. To him the philosophy behind social responsibility doctrine therefore is a demand placed on businesses to change their social conscience and orientation from a perspective of “caveat emptor” (let the buyer beware) to that of “caveat venditor” (let the sellers beware).

In this regard, researchers have outlined several reasons why CSR and other voluntary contributions are relevant for mining companies. These include the following:

- Public opinion of the sector as a whole is poor, opinion of natural resource extraction industries is influenced more by concerns over environmental and social performance than by performance in areas such as product pricing, quality and safety (Rae and Rouse, 2001; Walker and Howard, 2002).
- Pressure groups have consistently targeted the sector at local and international levels, challenging the industry’s legitimacy (Walker and Howard, 2002).
- The financial sector is increasingly focusing on the sector from both risk management and social responsibility perspectives. It is not unusual for mining companies to be screened out of socially responsible investment (SRI) funds altogether (SRI Compass, 2002; Walker and Howard, 2002).
- Maintaining ‘a licence to operate’ is a constant challenge (Walker and Howard, 2002).
• Obtaining a competitive advantage – community investment programmes are used to aid the awarding of concessions as companies appearing to be socially responsible are often favoured in this process (Porter, 1985; Vives, 2000; Sutherland, Hartman and Seidel, 2002 and Welford, 2003; Frynas, 2005).

• Receiving and maintaining a stable working environment – CSR initiatives are occasionally initiated as a means of ‘buying’ the local communities’ agreement to allow a company to operate (Frynas, 2005).

• Managing external perceptions and maintaining a good reputation – CSR initiatives are used for Public Relations purposes (Frynas, 2005).

• Keeping employees happy – CSR initiatives can often make staff feel more positive about the company, and can increase motivation and efficiency (Frynas, 2005).

Arguments against corporate social responsibilities

The proponents against CSR have maintained that:

• CSR will decrease profit, thus contradicting the real reason for organisations’ existence. Any money an organization gives to support social activities is actually being taken from the pockets of shareholders (Friedman, 1963; Andrews, 1989:257; Davis, 1973 cited in Boachie-Mensah, 2003).
• CSR gives corporations too much power, which is deemed to destroy the check and balances among the government, business and the general public (Davis, 1973 cited in Boachie-Mensah, 2003).

• Organizations may lack the expertise to be socially responsible. Hence, activities in the area of social responsibility should be left in the hands of people more skilled in social programmes, like social workers, teachers and so forth (Davis, 1973 cited in Boachie-Mensah, 2003).

• Organizations may have conflict of interest in how they spend their money (Davis, 1973 cited in Boachie-Mensah, 2003).

CSR has become the hallmark of nation and global civilization; businesses which vacillate or choose not to enter the arena of social responsibility may find themselves gradually dying out of consumer and public disfavour.

The growing voice of the people is now a force to reckon with, and therefore renders the arguments against CSR on a weak premise, as modern management practice favours organizational pursuit for CSR though this entails cost; the long term benefit outweighs the cost as proclaimed by (Barrientos, 2000; OECD, 2001 and WBCSD, 2002 and Lapalme, 2003).

The core of the concept reflects both the social imperatives and the social consequences of business success, and that responsibility accordingly falls upon the corporation, but the precise manifestation and direction of the responsibility lies at the discretion of the corporation. CSR is thus differentiated from business activities to fulfil profit-making responsibility and the social responsibilities of government (Friedman, 1970). Though there are arguments for and against CSR,
the fact remains that mining activities have some impact on both society and environment. What is the position of the mining companies regarding these arguments for and against CSR? The literature has not given indication as to what has been the philosophy of the mining companies in terms of CSR as to whether they are for or against CSR.

**Approaches to corporate social responsibilities**

Following the argument for and against CSR, organisations adopt different approaches to meet their CSR. According to Wartick and Cochran (1985), cited in Chandan (2002) there are four basic approaches characterizing business response to CSR. These are:

- **Social Obstruction:** here companies actively fight to eliminate, delay or fend off the social demands being made on them. They usually do as little as possible to solve social or environmental problems.

- **Social Obligation:** A social responsibility stance in which an organisation does everything that is required of it legally but nothing more.

- **Social Response:** A social responsibility stance in which an organisation meets its basic legal and ethical obligations and also goes beyond social obligation in selected cases. Such firms voluntarily agree to participate in social programmes, but solicitors have to convince the organisation that the programmes are worthy of their support.
Social Contribution: A social responsibility stance in which an organisation views itself as a citizen in a society and proactively seeks opportunities to contribute to that society. Similarly, Warhurst (1994) in her write-up on Euro Mining recommended a pro-active approach to CSR for mining companies.

Evaluating the above approaches, the proactive stance seems to be the best approach. It places the companies ahead of time by planning for the communities and dealing with social issues appropriately as soon as they emerge. This has the tendency of minimising undue pressure on the companies’ resources and activities when the quest for social need arises. The research question has some bases in the approaches to CSR. Which of these approaches are being adopted by the mining companies in the Wassa West District? This remains unanswered as the available literature has not giving any indication as to the approach these companies are using.

Corporate social responsibilities and sustainable development of mining communities

Sustainable development according to Brundtland (2001) is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Lapalme (2003) also stressed that, sustainable development is an issue that requires dealing with the fact that the mineral wealth of an area will come to an end, but the development generated by
the mineral wealth can and should continue so that future generations can continue to meet their needs.

In the views of Lunt (2000) a company must not only decide its contribution to the community while it is operating in an area, but needs to consider what will be left behind after the mine has closed down. She maintained that, if mining companies are going to bring development to an area, then they have the responsibility of ensuring that the developments are sustainable. This does not mean that, even after finishing the mining, the company should still be putting resources into a community, but rather any development it initiates should have the possibility of being continued by the community.

Atkinson (1999), Habirono (2001), Laurence (2001), Mate (2001) and Veiga (2001) observed that social sustainability involves more than just compensation for land use, and that attention needs to be paid to the development of society that existed before or build around a mine site as it evolves. In a similar vein, Richards (2002) emphasised that simply doling out cash is not a sustainable solution, so modern mining operations should expend considerable resources in social infrastructural investment such as schools, hospitals, roads, secondary industry development, and most importantly, business and technical training to ensure that monies paid in compensation are not wasted, and that the investment is made in the future of the society after inevitable mine closure.

The link between CSR and sustainable development according to Lapalme (2003) is that, CSR is an organisational tool used to implement sustainable development. Countries and settlements are beginning to scrutinize
the mining companies before they are permitted to operate. The mining industries are exploring ways of maximising social benefit and minimising their impacts on the environment (Lapalme, 2003). Is this the same for those mining companies operating in the Wassa West District?

Auty (1998) however, brought to the fore that sustainable development requires net and equitable benefits, and the building of social capacity for the affected communities that continue throughout and beyond the closure of the mine. This, the company’s CSR programme should address. She further noted that, social capital, the institutional and cultural base required for a society to function, is very important for the social sustainability of communities. In view of this, some mining companies are making attempts to face the existing challenge in order to improve resource efficiency, and are undertaking stakeholder liaison exercises to prevent future confrontations (Cottrell and Rankin, 2000).

Davis (1997) and Cottrell and Rankin (2000) outlined some strategies mining companies may employ in achieving CSR / sustainable development in their host communities and these include infrastructure improvements and social initiatives (Community health and Education initiatives). Also community foundations, thus a fund provided by the company for social investment purposes and the institution of micro-credit schemes as loans that can be used to launch new enterprises. Furthermore, local small scale businesses can be supported through preferential procurement policies for local suppliers. He concluded that, the provision of sustainable livelihood projects with the aim of reducing the communities’ economic dependence on the mine, and by creating alternative and
sustainable employment opportunities through improved technology for subsistence farming systems, livestock upgrading, bio-intensive agriculture and agro-forestry are to be encouraged. All these in the long run will help improve the well-being of the host communities.

Though different views have been expressed on CSR and sustainable development of mining communities, health, education and employment have been seen as some social activities for which mining companies need to pay attention so that development of mining communities can be sustained.

Health and corporate social responsibility

UNESCO (2001) reported that issues of development, environment and health are closely intertwined. Ill health hampers economic and social development, triggering a vicious circle that contributes to unsustainable resource use and environmental degradation. A healthy population and safe environment are important preconditions for sustainable development. Hunger, malnutrition, malaria, water-borne diseases, unplanned pregnancy, HIV / AIDS and other sexually transmitted infections are just some of the problems that have enormous implications on health. Most mining communities are rural and confronted with a number of health problems, some as a result of mining activities.

In this regard, Cooney (1995) identified three main initiatives that could be used to judge mining companies’ social performances. First is health initiative. He maintained that are the people in the area around the mine healthier and thus able to live more productive and satisfying lives even when the mine which
helped bring about these improvements is no longer operating? This view was supported by Davis (1997) that for mining companies to be socially responsible, they should be seen to invest in health initiatives by way of construction of health centres, community health education, waste management and provision of sanitation and water supply services. Davis (1997) further indicated that this initiative has been applied successfully by Tampakan mines in Philippines. Besides, Ondawame (1997) revealed that the Freeport mine in Indonesia had shown commitment to malaria control. This commitment led to the reduction of malaria disease by 85% between 1986 and 1994.

What are the mining companies in the Wassa West District doing to solve the health problems in the district? Contrary to Davis and others, Akabzaa and Dramani (2001) noted that communities in the Wassa West District are faced with diseases such as malaria, respiratory, skin and sexually transmitted diseases as a result of mining activities. In the light of this, Elias and Taylor (2001) stressed that it is necessary for mining companies to be involved in the campaigned against HIV / AIDS menace.

To overcome or minimise these diseases and illness in the mining communities, the mining companies should adopt formal and informal education as a tool to create awareness and improve their health status.

**Education and corporate social responsibilities**

World Bank Report (2003) brought to fore that education coupled with good health shapes who we are, what we know, what we believe, how we think
and what we can do. Education also determines the prospects of individuals, communities and nations. In support of the above, Nyerere (2001) cited in UNESCO (2001) maintained that education is not a way to escape poverty. It is a way of fighting it. He indicated that education is not only important in reducing poverty; it is also a key to wealth creation. Incidentally, UNESCO (2002) identified education and training as the two most powerful weapons in the fight against rural poverty and sustainable development. All these are achievable if the people are healthy.

Against this background, Cooney (1995) indicated that another issue that could be used in judging mining companies’ social performance is educational initiatives. He posed a question that “are the people in the area around the mine more educated and thus able to live more productive and satisfying lives even when the mine which helped bring about these improvements are no longer operating”? Regarding this, Tampakan mines according to Davis (1997), educational initiatives of the mining company have contributed to the development of the host communities. He explained that construction of school blocks, provision of primary education, provision of scholarships and bursaries and adult functional literacy are some of the strategies mining companies can use to promote education in their host communities. It is widely accepted that farmers, with basic education, are more likely to adopt new technology, and become more productive. With basic education they are better equipped to make more informed decisions for their lives and for their communities and to be active participants in promoting economic, social and cultural dimension of development.
It is equally accepted that excess rural labour has to find work outside the farm, whether in rural or urban settings, and that without basic literacy and numeracy, individuals are unlikely to be hired for anything more than basic wage labour. This implies that education is the basis for good employment (UNESCO, 2002). The question that arises is, are the mining companies in Wassa West District sharing these educational visions?

**Employment and corporate social responsibility**

According to Singer (1969) cited in Somavia (1999), employment is a very vital element in economic development. Employment, just like education and health, is not only an instrument for economic growth, but it is important in itself because it constitutes part of the very purpose of development. Somavia (1999) maintained that employment is the first step out of poverty. It is at the core of economic development and social stability. Somavia further indicated that there is convincing empirical evidence across the world that employment does have a direct and positive impact on poverty. However, Akabzaa and Dramani (2001) explained that in Tarkwa area, 30,000 people were displaced, between 1990 and 1998. This disorganized families and affected community member’s employment opportunities as farmers. Conversely, Remy & Garry (2002) revealed that, for every job created directly by large mines, between 2 and 25 jobs are created with suppliers, vendors, and contractors to the miners and their families and the communities. The issue here means that host community members should have the requisite skills and resources to exploit these opportunities, which majority of
the indigenes in Wassa West District do not have and mining companies are
called to assist especially in providing community members with the requisite
employable skills.

For this reason, Cooney (1995) indicated that mining companies could be
assessed based on the fact that, those who have exploited the opportunities they
have offered to establish businesses are sustainable and will not collapse in the
event of mine closure. Davis (1997) in looking at how mining companies can
provide employment to indigenes of the host communities stressed on sustainable
agricultural methods for mining communities. This he request mining companies
to assist in improving technologies for subsistence farming, livestock upgrading
and agro forestry.

Mines and Geosciences Bureau and Colin (2003) in their support for
employment initiative indicated that since the mines cannot provide employment
to all people in the communities, it is necessary for the mining companies to
invest in the alternative livelihood programs for the affected communities such as
provision of skill training on cottage industries including dress making, food
processing, training for out of school youth, basic industrial skills such as auto
mechanics, welding and others.

In short, education, health and employment have been identified from the
literature as some of the initiatives that could help reduce rural poverty. The
mining companies could use these to enhance the capacity building and improve
upon the quality of life in their host communities. These have been some of the
strategies adopted by mining companies elsewhere in pursuit of their CSR and
community sustainable development. It is not known whether these same strategies are being followed by the mining companies in the Wassa West District to reduce rural poverty and to ensure sustainable development in their catchments areas.

Stakeholder’s perception about mining operations

Social concerns are in part based on perceptions of the mining industry and its possible impacts, which require dealing with competing visions of the present and the future.

In the light of these perceptions, The North-South Institute (1998) indicated that, mining companies have been dealing with environmental concerns and development of technical expertise and solutions to environmental difficulties. However, Lapalme (2003) revealed that, traditionally, mining companies’ concerns are centred on the environmental impacts of mining activities, but additional concerns related to impacts on individuals, families, culture, traditional lifestyles and communities are surfacing. There are therefore variety stakeholders who are asking the mining industry to deal with the perceived risks. These include labour unions, Non – Governmental Organisations, Central Government and the affected communities. Within the framework of this study, the definition given by Ostensson (2000) for stakeholders has been adopted and is defined as “somebody” or group of “somebodies” who whether or not are materially affected, has a vested interest in a mineral project and its outcome, and
thus “holds a stake” in it. The vested interest is not necessary and exclusively economic, but legal, political and even ethical.

In the view of Lapalme (2003), these perceived risks are varied and include possible environmental degradation, loss of access to resources, health issues for workers and people living in the vicinity of the operation, increased crime and prostitution, increased substance abuse, loss of land or land tenure, uneven distribution of benefits and destruction of religious or cultural sites, loss of traditional knowledge, changes in values and value systems and unequal participation in decision – making. Conversely, many stakeholders recognise that a mining operation can bring opportunities to an area and the people who live there. Increased employment, better and higher education for the children, economic diversification, and community capacity - building are important opportunities. The difficulty for stakeholders is how to maximise the opportunities, minimize the risks and where possible, turn the risks into further opportunities.

Failure to meet the expectations of stakeholders such as communities and NGO’s carries risk for the mining companies. It can trigger opposition to a project leading to costly delays and difficulty in accessing project financing, decreased share prices and even erode management credibility (Dunn, 1999). As communities, individuals and organisations become more proactive, they define their needs and concerns, expect to be recognised and included in decision making, and can play a role in determining which companies have access to territory and resources (Lapalme, 2003). Lapalme (2003) further maintained that a
progressive image of being environmentally and socially responsible can create opportunities and can give a mining company a competitive advantage and access to potential resources. He further indicated that social activities need not be seen as a cost, but as investments in the social structure and in the mining activity, and as opportunities to assist individuals and communities and develop a positive relationship with the stakeholders of the area.

To help manage these external perceptions, Elkington (1997) postulated the triple bottom line reporting to ensure adequate disclosure not only on economic performance of companies but their environmental and social performances as well. Supporting this view point, Hebble and Ramaswamy (2004) claim that business organisations face a significant challenge ahead in bridging financial and sustainability reporting because, economic indicators are typically presented in financial terms, but many environmental and social performance indicators are not expressed in financial terms. In this regard, Kishan (2006) emphasized that environmental and social responsibilities are part of accountability and therefore accountants have a role to play in helping management to see the potential added value of these activities and consider the financial risk of not acting responsibly.
CHAPTER THREE
METHODOLOGY

Introduction

This chapter discusses in detail the variables in question, the research design, the study area, type and sources of data, the unit of analysis and period of study, population, the sample and methods used to derive the required sample and the specific methods and procedures used for data collection. It also addresses the statistical tools used for data analysis as a means of finding answers to the research problem(s). The variables are both dependent and independent in nature.

Dependent variable

The dependent variable for the study is the community members and other stakeholders’ perception or satisfaction about the mining companies’ social performance specifically in health and educational development and job creation. To obtain data on stakeholder perception or satisfaction both qualitative and quantitative data were collected from the respondents and analyzed.

Independent variables

The independent variable of the study are the mining companies’ contribution to mining communities’ health care delivery system, development in
community education and promotion of employment avenues for host communities. Due to the remote nature of most mining communities, it is believed that prior to the coming of mining companies; most of these communities did not have health and educational facilities and other employment avenues. Therefore, with the coming of mining the communities expect the benefit of mining activities to be felt in poverty reduction in their host communities through improved health care, education and employment.

**Health**

Health in this context is defined as the activities and programmes undertaken by the mining companies to ensure better and improved physical conditions of people in the host communities. These are limited to creation of hospitals and clinics, supporting health posts with drugs and equipment, supporting in immunization, provision of health education and awareness creation in HIV/AIDS.

Assessment of health contribution by the mining companies was measured by asking respondents specific questions related to the health care delivery that can go a long way to improve upon the quality of health care in the various communities.

**Education**

This is defined to mean the various investments undertaken by the mining companies to enhance schooling and skill training of the youth in their host
communities. This is confined to provision of school facilities, scholarships, incentive and motivation to teachers and provision of Teaching and Learning Materials (TLM) to schools to enhance the level of knowledge of the citizenry in the host communities. The mining companies’ contribution to educational development in their host communities were also measured by asking the respondents what these mining companies are doing to support the educational development in their areas.

**Employment**

Within the context of this research employment is defined as the various activities, programmes and actions taken by the mining companies to ensure job creation for the indigenes and to reduce the dependence on the mines for jobs. Employment was measured by asking stakeholders about the mining companies’ contribution to job creation both directly and indirectly.

**Research design**

The purpose of this study is to describe in detail the stakeholders view about the mining companies’ social performance in the Wassa West District. Nevertheless, it is essential to identify the research strategy that has been used for this research. According to Yin (1994), there are five types of research strategies that can be used to conduct research. These are experiment, survey, archival analysis, history and case study. Having studied the different approaches, it was conclusive that a case study approach was the most suitable strategy for this
research. A case study focuses on contemporary events in a real life situation and suits research questions starting with what, how and why that concerns events over which the researcher has limited or no control. Since this research is on how mining companies are responding to the call for CSR towards the communities within their catchment areas in the Wassa West District, it is believed that it concerns a real life situation over which the researcher has limited or no control.

**Study area**

The Wassa West District which has 18 major towns is located in the Western Region, has a land area of 9,235 square kilometres and a total population of over 260,000. The district is well drained by network of rivers spread out all over the land. The vegetation is of the moist semi-deciduous type. Human activities such as farming and mining have however, reduced the vegetation to a secondary forest. In terms of climate, the district lies within the south-western equatorial zone and geologically, the rocks in the area are of Tarkwaian and Birimian formation, which are rich in mineral ores such as gold and manganese.

The sheer enormity of the investment potentials possessed by the Wassa West District is reflected in the wide presence of numerous private enterprises and corporations dotted all over the district. For instance, there are six large-scale mining companies, five manufacturing companies, four service firms, four industrial laboratories, five commercial banks, two rural banks and two non-banking financial institutions among others (www.ghanadistrict.com).
Ghana witnessed three mining booms in 1892, 1938 and 1980’s and the Wassa and Adansi areas were the location for the last two jungle booms. The Wassa area in particular has been a major destination of mining companies in Ghana. Currently, about six major mining companies are operating in the district since 1980’s. This district therefore gives an indication of the level of mineral exploitation over the years of mining in Ghana and ability to know and formulate policies to promote mining community development and poverty reduction. Additionally, most of the recent community – mining conflicts have come from this district. These therefore offer a good ground to research into what can be done to minimise these conflicts, hence the choice of this district.

Unit of analysis

The unit of analysis for this study from which data was obtained were the registered mining companies operating in Wassa West District, the host communities which are materially affected by mining operations and other stakeholders who have vested interest in the mineral projects and its outcome.

Study population.

The population of interest for this study is all registered major mining companies operating in the Wassa West District in year 2007 and their host communities, and other stakeholders in the Wassa West District namely, Wassa Association of Communities affected by Mining (WACAM), institutions and organisations like the District Assembly (DA), Environmental Protection Agency
(EPA), District Health Services (DHS), District Labour Department (DLD) and Ghana Education Service (GES) in the Wassa West District. These agencies are representatives of the government ministries and agencies who are partners to community development. The major mining companies in the district consist of Goldfields Ghana Limited at Tarkwa, Abosso Goldfields at Darmang, AngloGold Ashanti at Iduapriem, Ghana Manganese Company Limited at Nsuta, Golden Star Resources at Bogosu and Prestea Sankofa Limited at Prestea.

Sample size and sampling procedure

The sample size is made up of four mining companies out of the six mining companies operating in the district consisting of three gold mining companies and one non gold mining company and their host communities. Other stakeholders included in the sample are twelve chiefs or opinion leaders, twelve assemblymen/women and sixty community members. From the District Assembly (DA), The District Coordinating Director (DCD) and the Planning Officer (PO) were part of the study sample. A respondent each from the Environmental Protection Agency (EPA), the District Health Services (DHS), District Labour Department (DLD), Ghana Education Service (GES) and Wassa Association of Communities affected by Mining (WACAM) were also part of the total sample for the study. These agencies are either representatives of the government in the district having special interests in the study variable or have stake in the community development. The total sample size for the study was 95 as presented in Table 1.
<table>
<thead>
<tr>
<th>Institutions/Organisations</th>
<th>Sample size</th>
<th>Sampling method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining companies</td>
<td>4</td>
<td>PS</td>
</tr>
<tr>
<td>Host communities</td>
<td>12</td>
<td>SRS</td>
</tr>
<tr>
<td>DA, EPA, DHS, DLD, GES and WACAM</td>
<td>7</td>
<td>PS</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Institutions/Organisations</th>
<th>Sampling unit(s)</th>
<th>Total sample size</th>
<th>Sampling method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining companies (4)</td>
<td>Community Affairs Managers</td>
<td>4</td>
<td>PS</td>
</tr>
<tr>
<td>Host communities</td>
<td>Chiefs/Opinion leaders</td>
<td>12</td>
<td>PS</td>
</tr>
<tr>
<td></td>
<td>Assemblymen/women</td>
<td>12</td>
<td>PS</td>
</tr>
<tr>
<td></td>
<td>Community members</td>
<td>60</td>
<td>PS</td>
</tr>
<tr>
<td>District Assembly</td>
<td>DCD and PO</td>
<td>2</td>
<td>PS</td>
</tr>
<tr>
<td>EPA</td>
<td>Environmental officer</td>
<td>1</td>
<td>PS</td>
</tr>
<tr>
<td>DHS</td>
<td>Director</td>
<td>1</td>
<td>PS</td>
</tr>
<tr>
<td>DLD</td>
<td>Labour officer</td>
<td>1</td>
<td>PS</td>
</tr>
<tr>
<td>GES</td>
<td>Director</td>
<td>1</td>
<td>PS</td>
</tr>
<tr>
<td>WACAM</td>
<td>President</td>
<td>1</td>
<td>PS</td>
</tr>
</tbody>
</table>

Total 95

PS (Purposive sampling), SRS (Simple random sampling)

Source: Field survey, 2007
Table 1 presents both probability and non-probability sampling procedures that were involved in arriving at the required sample. Purposive sampling which is a non-probability sampling method was used in selecting the mining companies in the district and the key informants. This was to ensure that relevant information is not left out of the study. The sampling of the mining companies was based on certain factors which include; the size of the concession they control should not be less than 10km². Such companies are considered as small or medium scale (Boateng, 2003). They should have good standing with Ghana Chamber of Mines (GCM). A company not in good standing with GCM means such company is unable to meet its financial and other obligations and therefore not be in the position to meet its social obligations as well (Ghana Chamber of Mines, 2006). Finally, the company should not be a subsidiary of another company in the district. The reason is that common policies and programmes regarding CSR are pursued by both the holding and subsidiary and therefore no significant differences in policies and programmes are encountered. Those companies left out did not meet these conditions at the time of the research.

A criterion sampling technique was therefore used to pick the four sampled organisations namely GGL, GSRBL, AGAI and GMC. Moreover, a purposive sampling was used to pick the key informants (the community affairs managers and officers) within the sampled mining companies. As a justification, these are the best personalities who have the required and best information and willing to share it, to enable the study objective to be achieved.
The sampled communities are the communities within which the sampled mining companies operate. The list obtained from the District Assembly indicates the following number of communities for each of the mines. AGAI-eight (8) communities, GGL-nine (9) communities, GMC-nine (9) communities and GSRBL-sixteen (16) communities. Due to wide area of coverage coupled with remoteness of the area, three (3) communities each were chosen as sampled communities for each of the mining company by using Simple Random Sampling technique (Lottery approach). This was done by writing unique numbers on small uniform pieces of paper for each of the communities. The papers were folded and put in a container. The container was shuffled thoroughly for three minutes and put down. The three trained research assistants were then made to pick one paper each from the container. This was done for each of the mining companies. According to Marlow (2000), this approach to simple random sampling can be used if random number tables are not available. On the other hand, the community members were sampled through purposive sampling based on members who age above thirty years and have lived in their communities for more than ten (10) years. This criterion is chosen because it is believed that such persons are in best position to respond to issues relating to the social contributions of mining companies in their communities objectively.

The governmental and non governmental agencies in the district that have stake in the mining community development were also sampled. A total of seven (7) of such stakeholders were picked. All these agencies have information which
is relevant to this research. A purposive sampling was therefore applied on this group to ensure that relevant information is not left out of this study.

**Type and sources of data**

Typically, data from case studies incorporate any combination of interviews, documents, life histories, field notes, questionnaires and observations thereby given the method its unique strength (Yin, 1994). Therefore, both primary and secondary data were sought in the search for the answers to the research questions (see appendix III).

To examine the various investments and projects that the mining companies have undertaken in their host communities to better the life of the indigenes, it was necessary to obtain both quantitative and qualitative data from the unit of analysis. The study of corporate social responsibility is still under developed, exploratory and complex real life phenomenon. It is therefore useful to design the study in a way that uses both qualitative and quantitative data collection techniques. Within the qualitative paradigm, semi-structured interviewing technique was used to collect data (see appendix I) from the mining companies. The quantitative paradigm was also achieved by collecting data using likert scale questionnaires (see appendix II) from the communities and other stakeholders. The predominant strategy is qualitative since this study is not concerned with theory testing but is only concerned with presenting a detailed view about how stakeholders perceive mining companies social performance.
Data collection techniques

The secondary data were gathered from the existing district profile from the District Assembly and other sources such as annual reports, policies and programmes of the mining companies on their social responsibilities, media publications, magazines, report and journals from the mining companies and GCM to compliment findings from other sources. Other information was obtained through the internet.

In addition to the secondary data, primary data were collected by way of interviews using semi-structured interview guide (see appendix I). The key informants were the community affairs managers / officers of the mining companies. These were carried out within a period of five days, starting from 16\textsuperscript{th} July 2007 to 20\textsuperscript{th} July 2007. Tape recording was not allowed by the key informants so interview notes were taken. Summary of interview results is in appendix IV. This method allowed clarifications to be made during the administration of the instrument in order to minimise inconsistencies regarding the meaning of questions and terms. Also, the presence of the interviewer encouraged participation and involvement of respondents. The interviews were conducted in English language since all informants were literates. The representative of GMC failed to respond.

Quantitative data in the form of likert-scale questionnaire were developed and administered to obtain the necessary information from the community members and other stakeholders in the district. This was done to compare the qualitative data obtained from the mining companies. The questionnaires were
administered with the support of three trained research assistants. A week to the actual survey, the chiefs and the assembly men/women in the sampled communities were contacted to inform them about this research and to seek their support. Forty (47) Likert-scale questions attached with copy of letter obtained from the Head of Accounting and Finance Department of the University (see appendix X) authorising this research was giving to each of the respondent. A total of 90 questionnaires were sent out which yielded 91% response rate. This was carried out within a period of two weeks starting from 25th June to 9th July 2007. Though some weaknesses were associated with this method it however allowed the respondents the time to carefully respond to the questions and it was less expensive.

**Pre-test**

The instruments were tested in a small sample at Akyempim, a host community and Golden Star Resources (Wassa) a mining company all in the Mpofo Wassa East District to assess the reliability and validity of the instruments. Purposive sampling was used to collect data during the pre-test phase. The chief, assembly man and some community members ageing above thirty years having stayed in the community for more than ten years were sampled and surveyed whilst the key informant of Golden Star Resources (Wassa), the community affairs manager was interviewed. In all ten questionnaires were administered in the community.
To enhance the state of construct validity of the instruments, some senior members of the university were given the instruments to review for any possible errors and corrections before the pre-test was conducted. The pre-test proved satisfactory in terms of answers given by the respondents except one question which sounded ambiguous. This question was modified to make the meaning very clear. In another development, the pre-test brought to fore that, when the community members and the mining company are talking about corporate social responsibility they also mean sustainable development. With this development, the questionnaires were modified to include some aspect of sustainable development issues. The pre-test sample was not part of the final study sample.

It is believed that CSR always lead to high internal validity as a result of its subjectivity. The reason being that, the reality regarding CSR appears very distinctive for different people and as long as interviewees and respondents are sincere and trustworthy, the result will be in accordance with reality. In other words, there are no right or wrong realities regarding CSR. What people perceive as reality is their particular reality even though others might not agree. Hence, to reach internal validity concerning issues of CSR the most useful device is to make the respondents answer sincerely. However, since some of the respondents were experts within the field CSR there might exist to large extent objectivity. With this it is believed to have achieved a higher internal validity.

With respect to reliability, case study research is reliable if the data can be repeated with the same results (Yin, 1994: 33). The researcher has attempted a careful documentation of the data collection procedures and the questions asked
to the respondents. In addition to the case study protocol, interview notes and documents have been organised in a data base (Yin, 1994). Since a detailed description of how this research was conducted has been outlined, it is believed that, it will be easy for another person to conduct the same research. Therefore, it is also believed that this dissertation is trustworthy since all sources of information were carefully documented.

Within the quantitative paradigm the post test reliability test was carried out using Cronbach’s alpha. A coefficient obtained for all the questions yielded a result of 0.885. This exceeds the standard figure of 0.7 indicating a high degree of reliability of the instruments. This result was derived from the SPSS data base (see appendix VIII).

**Data processing and analysis**

The data collected from the field were both qualitative and quantitative. The quantitative data were examined to ensure that all instruments were complete and the information was accurate. The instruments were given serial numbers to facilitate easy identification and accurate scoring process. The data were input into Statistical package for Social Sciences (SPSS 12 for windows). The data analysis was done using both descriptive statistics and inferential statistics. Data was transformed into tabular form showing frequencies and percentages as generated from the SPSS software. It helped to describe the variables to derive clear information about them. However for easy comparison of variables and to make informed discussion, some of the SPSS tables were composed into
composite tables. The qualitative data from the interviews were transcribed (see appendix V-VII), summarised and analysed to derive the needed information. The feedback received from the data processing is discussed in the next chapter.
CHAPTER FOUR

CORPORATE SOCIAL RESPONSIBILITY OF MINING COMPANIES

Introduction

This chapter presents the findings of the fieldwork by looking at the background of the respondents and presents attempt to respond to the research questions related to approaches to CSR by the mining companies. It also deals with what mining companies have contributed towards the development of health, education and employment in their host communities. Finally, the views of respondents on mining communities’ sustainability in the event of mine closure.

Background information

The total number of respondents was 84, made up of 28 female and 56 males. Regarding the educational attainment of the respondents, 39 closer to 50% of the sample size, had basic education and 14 had no formal education and the rest had education ranging from secondary to tertiary level. The composition of the respondents is shown in Table 2. The mining companies that were involved in the study were Goldfields Ghana limited Tarkwa, AngloGold Ashanti (Iduapriem) and Golden Star Resources Bogoso limited.
Table 2: Categories of respondents

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local community members</td>
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</tr>
<tr>
<td>District Health Services</td>
<td>1</td>
</tr>
<tr>
<td>Mining companies</td>
<td>3</td>
</tr>
<tr>
<td>District Education Office</td>
<td>1</td>
</tr>
<tr>
<td>Environmental Protection Agency</td>
<td>1</td>
</tr>
<tr>
<td>District Assembly</td>
<td>2</td>
</tr>
<tr>
<td>Associations (WACAM)</td>
<td>1</td>
</tr>
<tr>
<td>District Labour Department</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>84</strong></td>
</tr>
</tbody>
</table>

Source: Field survey, 2007

The data were gathered from 12 local communities which mining companies recognised as their communities except one (Boboobo), a community that is affected by the activities of Goldfields Ghana limited Tarkwa as observed during the field survey and seen as a mining community within the context of the District Assembly, but this community is not considered for any support by the company. The explanation given is that the community is not in the mining company’s catchment area. These communities are presented in Table 3. Among the mining companies, Ghana Manganese Company did not respond to the interview. The officers of the other three mining companies who were interviewed are the community affair managers/officers.
Table 3: Mining companies and communities affected by mining activities

<table>
<thead>
<tr>
<th>Mining company</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goldfields Ghana limited Tarkwa</td>
<td>Tarkwa, Boboobo and Brahababom</td>
</tr>
<tr>
<td>AngloGold Ashanti (Iduapriem)</td>
<td>Teberebe, Mile 8 and Mile 10</td>
</tr>
<tr>
<td>Golden Star Resources</td>
<td>Bogoso, Beppo and Domase</td>
</tr>
<tr>
<td>Bogoso limited</td>
<td></td>
</tr>
<tr>
<td>Ghana Manganese Company</td>
<td>Akyim, Tarkwa Bансo and Bonsawire</td>
</tr>
</tbody>
</table>


Approach to corporate social responsibility

Drawing from the literature as presented earlier on in the text, there are four main strategies or approaches that organisations use to achieve or respond to the call for corporate social responsibilities (Chandan, 2002). These are social obstruction, social obligation, social response and social contribution. However, Warhurst (1994) recommended to mining companies to adopt pro-active stance (social contribution) in their quest for CSR.

The interview result obtained from the key informants of the mining companies’ standpoint, revealed that all the mining companies have policy on CSR (see appendix V). However, whilst GSRBL pursues company initiated social programmes and projects in consultation with the communities within its catchment’s area, the policy in place at AGAI as indicated by the key informant is based on both the community and company initiatives depending on the seriousness and urgency of the situation at stake. In the case of GGL, CSR are
mainly pursued at the request of the communities but must be in line with the District Assembly’s objective as indicated in appendix V. The informants further claimed that their respective companies budget and spend between 1-2% of their income on social projects in their catchments areas annually.

To match up to the existence of these strategies in the mining communities, the community members and other stakeholders were asked if the corporate support to their communities development are coming from the companies’ own initiatives or otherwise. The following responses in Table 4 were obtained.

Table 4: Respondents view on how social projects are initiated.

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Company</th>
<th>Community/District</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agree %</td>
<td>Disagree %</td>
</tr>
<tr>
<td>Health</td>
<td>18.5</td>
<td>64.2</td>
</tr>
<tr>
<td>Education</td>
<td>30.8</td>
<td>57.7</td>
</tr>
</tbody>
</table>

Source: Field survey, 2007

From the Table 4, 64.2% of the respondents believe that the contribution to healthy cause of the mining communities does not come from the mining companies’ own initiative. Only 18.5% believe that such contributions come to the communities by the companies’ own initiative. However, 60.5% of the stakeholders are of the view that the community leaders and the District Assembly are the architects for these supports.
In terms of educational support, majority (66.6%) of the stakeholders hold the view that the community leaders and the District Assembly usually put in the request to the mining companies for consideration before the companies support the communities’ educational development. Only 30.8% of the stakeholders believe that such educational support is from the companies’ own initiative.

Comparing the qualitative (see appendix IV) and quantitative findings seems to suggest that mining companies have been using different strategies and not strictly social response or social contribution. Having policies on CSR, budgets and earmarking funds for such community development seem to get closer to pro-active stance as proposed by Warhurst (1994) but allowing communities and other stakeholders to request for social projects before companies implement however, seem to move towards social response. Therefore, there is no clear cut approach by the mining companies to their CSR.

**Contribution of mining companies to the development of host communities**

The contributions of the mining companies to the development of host communities are focused on three main indicators of development which are health, education and employment.

**Contribution to health care**

Health is one of the development indicators and from the community affairs managers of the various mining companies they have policies towards
community health care delivery. Referring to the remarks made by the key informant (the community affairs manager) of AGAI, he said:

“to simplify this, the policy of this company talks about ensuring safety and to provide health care for the surrounding communities” (see appendix V).

In a similar posture, the key informant of GGL responded that:

“our policy is general in nature which seeks to undertake sustainable development programmes in host communities cutting across health, education and employment” (see appendix VI).

In the case of GSRBL the community affairs manager stated that:

“our policy on health for the communities is to implement health and safety procedures and management systems” (see appendix VII).

When the question was posed as to what the companies have done or doing to improve upon health care delivery in host communities, the key informant of AGAI responded that:

we have trained and continue to train community health aid volunteers in all our communities to help deal with emergency health care problems (...). We have also taken keen interest in dealing with the AIDS and HIV menace by sponsoring the education of this menace in our communities (...). As part of our strategy, we have provided health post at Adieyie community; provide vehicle and personnel during immunization exercises (see appendix V).

The community affairs manager further indicated that AGAI is committed to fighting malaria in its catchment area similar to health strategy pursued by
Freeport mine in Indonesia (Ondawame, 1997). The response from informant of GGL on this question was that:

we have done a lot to improve upon the health care delivery in our communities through construction of health infrastructure in most of the communities including clinic at Atuabo, maternity block for the Tarkwa government hospital, training of water and sanitation (WATSAN) committees and community health facilitators. Aside these, we also supply drugs and other medical equipment to various health posts and offer free medical consultation to the communities (see appendix VI).

On the part of GSRBL, the community affairs manager said that:

we have been doing our best to support health care delivery in our host communities. What we have done so far are in support of maintenance of health personnel quarters, provision of drugs and other medical equipment to various health posts within our catchment area. We also provide transport during immunization programmes and ensure that there is good sanitation and potable water in host communities (see appendix VII).

The views of the community members and other stakeholders in relation to mining companies’ contribution to provision of health facilities, health education including HIV/ AIDS awareness, equipping health facilities with drugs and other medical equipment and support to child immunisation programmes are presented in Table 5. Only 24.7% out of 81 respondents perceive that mining companies operating in their area provide them with health post/clinics, but 70.4% responded in the negative. Regarding health education including HIV/ AIDS awareness only 37% of the respondents indicated that the mining
companies provide such assistance to the communities but majority 59.3% revealing a contrary view which is not encouraging as Elias and Taylor (2001) call on mining companies to invest much in this area. In the case of supporting child immunisation and equipping health posts with drugs and equipment to improve upon communities’ health delivery system, only 26% and 20.9% respectively, perceived that mining companies operating in their areas provide such support during immunisation periods and donate drugs and equipment.

Table 5: Respondents view on mining companies’ response to community health support

<table>
<thead>
<tr>
<th>Response</th>
<th>Health education/HIV/AIDS</th>
<th>Donates equipments and drugs</th>
<th>Support child immunisation</th>
<th>Built health facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>%</td>
<td>Frequency</td>
<td>%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>17</td>
<td>21.0</td>
<td>29</td>
<td>35.8</td>
</tr>
<tr>
<td>Disagree</td>
<td>31</td>
<td>38.3</td>
<td>30</td>
<td>37.0</td>
</tr>
<tr>
<td>Neutral</td>
<td>3</td>
<td>3.7</td>
<td>5</td>
<td>6.2</td>
</tr>
<tr>
<td>Agree</td>
<td>21</td>
<td>25.9</td>
<td>13</td>
<td>16.0</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>9</td>
<td>11.1</td>
<td>4</td>
<td>4.9</td>
</tr>
<tr>
<td>Total</td>
<td>81</td>
<td>100.0</td>
<td>81</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field survey, 2007
Though, 37% of the respondents attest that the mining companies undertake health education programmes, however majority of this group further indicated that these programmes are mostly organised for the mine workers and not for community members in general. Despite the fact that, few of the respondents indicated that some support comes from the mining companies in these directions, the general picture suggest that the mining companies are not doing much with respect to the health care delivery system in their communities.

Support to host communities’ education

Education is one of the social indicators that are used in measuring a country developmental level because it provides individuals with knowledge and skills required to undertake any development pursuit. In this regard, the World Bank (2003) stated that education shapes who we are, what we know, what we believe, how we think and what we can do. As a result it will be a very positive development if the mining companies factor education into their CSR policy as “education is not a way to escape poverty but a way of fighting it” (Nyerere, 2001) cited in (UNESCO, 2001).

When the question of what has your company done to promote education of the youth within your catchment area was posed, the community affairs manager of AGAI gave a candid answer that:

- in fact, educational standards in these communities are very low due to lack of teachers, teaching and learning materials and parental control. As a result of this our company has provided some early childhood development centres in some
communities, created incentive packages for teachers who are posted to our communities by giving them 15% of their salary as rural hazard allowance. We also provide scholarship schemes for youth and make available TLM to community schools (see appendix V).

When similar question was posed in GGL, the key informant responded that:

_in the area of educational development, Goldfields Ghana has shown commitment in the construction of educational infrastructure such as school, teachers quarters and (...) in its catchment area. Apart from this, we have instituted scholarship scheme for senior high school, vocational and tertiary institutions for children in our host communities. For instance, in 2007 financial year 92 scholarships were offered to various communities and their youth costing us GhC67,600. We have also put in place apprenticeship programme for those who are not able to further their formal education, to learn a trade (see appendix VI).

A review of publicly available document reported by Marfo (2007) has supported these assertions made by the informant of GGL.

On the part of GSRBL, the key informant responding to the educational question said:

_“we have constructed day care centres in two key communities. This is to enhance early childhood development in these communities. Besides, we have put up a public library equipped with books for the Bogosu community, whilst books and other TLM have been given to six other schools in our catchment communities. Again, our company has designed apprenticeship scheme since 2001 training local youth at the_
University of Mines Tarkwa and on the job training at the mine” (see appendix VII).

From Table 6, 59.2% of the respondents confirmed that the mining companies provide scholarships to support the youth of host communities. Regarding support in the form of TLM and welfare of teachers, 55.5% of the 81 respondents indicated that the mining companies do not provide TLM to facilitate teaching and learning. However, 34.6% said they do. In the case of welfare of teachers, only 24.7% of the respondents indicated that the mining companies provide incentive packages to teachers but majority (63%) had a contrary view. The general picture is that the mining companies are not doing much to enhance the educational standards in their catchments areas.
Table 6: Communities’ perception of mining companies’ support to education

<table>
<thead>
<tr>
<th>Response</th>
<th>Scholarships and bursary</th>
<th>Teaching and learning materials</th>
<th>Welfare of Teachers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>%</td>
<td>Frequency</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>15</td>
<td>18.5</td>
<td>24</td>
</tr>
<tr>
<td>Disagree</td>
<td>10</td>
<td>12.3</td>
<td>21</td>
</tr>
<tr>
<td>Neutral</td>
<td>8</td>
<td>9.9</td>
<td>8</td>
</tr>
<tr>
<td>Agree</td>
<td>33</td>
<td>40.7</td>
<td>19</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>15</td>
<td>18.5</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>81</td>
<td>100.0</td>
<td>81</td>
</tr>
</tbody>
</table>

Source: Field survey, 2007

Mining companies contribution to employment creation in host communities.

One may conclude that to a large extent the mining communities should have more employment opportunities due to the presence of the mining companies operating in their communities, as stated by Remy & Garry (2002) that for every one large mining company established; between 2 – 25 other jobs are created to support the running of the mine.
The key informant of GSRBL in reaction to what mining companies are doing to enhance employment status of the indigenes in host community stated that:

offering of employment by our company to the indigenes has not been an easy thing for the company. The communities are many and the number of job seekers are also many. Meanwhile, jobs in the mine are so technical that special skills are required, but the indigenes lack these skills to make them employable in the mine. In view of this, we have put in place an employment quota system for the communities within our catchment area based on the size of the population. Additionally, preference is given to local people first for all jobs where skills meet work specification. There is also the use of local contractors and suppliers all aimed at generating employment. Finally, we have created alternative livelihood projects to create employment and to help reduce dependence on the mines for employment and livelihood (see appendix VII).

Responding to the same question, the community affairs manager of GGL declared that:

unemployment is a serious problem in our communities. Strategies that we have put in place to address this problem include (a) given contracts to chiefs of host communities so that they can employ their indigenes; (b) putting in place community employment programme whereby job vacancies are given to indigenes by the company and its contractors and (c) establishing alternative livelihood project for the host communities aimed at reducing the dependence on the mine for employment. A total of 1,700 indigenes have been
supported in these projects between 2006 and 2007 (see appendix VI). Similarly, when we probed the key informant of AGAI he said:

this has been a major source of worry among stakeholders. This is because most of the indigenes are neither educated nor skilful and therefore not employable in the mines. The strategies we have adopted to deal with this problem are: (a) to give all manual jobs to the community members through the chiefs, (b) encourage local suppliers and contractors to supply catering materials, (c) institute alternative livelihood projects and (d) provide training in management of indigenous businesses (see appendix V).

All the three companies have invested in alternative livelihood projects in agro-businesses in the areas of agro-processing, livestock and poultry, fish farming and vegetable production among others for their host communities. These are aimed at reducing the dependence on the mines for employment and to ensure sustainable livelihood for the communities.

However, 77.8% of the 81 communities and stakeholder respondents stated that people in the mining communities do not have employment opportunities with the mining companies. According to the majority (93.8%), the youth in the area prefer working with the mining companies but are not given the opportunity when vacancies are created. From table 7 also, majority (66.7%) of the responses indicates that the mining companies had no employment quota for indigenes'.
Table 7: Communities’ perception of mining companies’ support to employment generation

<table>
<thead>
<tr>
<th>Response</th>
<th>Employment quota</th>
<th>Reliance on local and indigenous suppliers</th>
<th>Provision of alternative livelihood projects</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>%</td>
<td>Frequency</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>26</td>
<td>32.1</td>
<td>23</td>
</tr>
<tr>
<td>Disagree</td>
<td>28</td>
<td>34.6</td>
<td>29</td>
</tr>
<tr>
<td>Neutral</td>
<td>6</td>
<td>7.4</td>
<td>12</td>
</tr>
<tr>
<td>Agree</td>
<td>16</td>
<td>19.8</td>
<td>12</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>5</td>
<td>6.2</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>81</td>
<td>100.0</td>
<td>81</td>
</tr>
</tbody>
</table>

Source: Field survey, 2007

Only 26% of the respondents expressed the view that the mining companies have employment quotas for their communities. To encourage local businesses as an indirect way of providing employment to indigenes in host communities, only 21% of the respondents agree that mining companies rely on local contractors and suppliers for some supplies as Remy & Garry (2002) suggested.

As the indigenes lose their economic resources such as farmlands to the mining companies without securing employment with the mines, it stands to
reason that they should be assisted to have alternative means of livelihood. In this regard, 63% of the 81 respondents indicated that mining companies are committed to providing alternative livelihood projects in host communities, with the indigenes showing interest in these programmes as attested to by 62.9% of the 81 respondents. These projects include the rearing of livestock and poultry, cultivation of oil palm and it’s processing among others which confirm what the mining companies have said earlier on. This is in line with Davis (1997) assertion that mining companies should aim at reducing the communities’ economic dependence on the mines, by creating alternative and sustainable employment opportunities through improved technology for subsistence farming systems, livestock upgrading, bio-intensive agriculture and agro-forestry.

Perception about mining communities’ sustainability after mine closure

The question that bother peoples mind is whether mining communities are self sufficient to sustain their socioeconomic activities that have been started in the event that the mining companies would folds up one day since mineral exploitation are non-renewable resources and will certainly be exhausted in the future? In this regard, some key informants of the mining companies indicated that it is because of this that the mining companies are engaging in the development of sustainable alternative livelihood employment opportunities in agriculture and agro-processing, skill training and apprenticeship in the areas of soap and bread making, linking communities to the national electricity grid, opening up these areas through the construction of feeder roads, reclaiming mined
pits for agricultural purposes and carrying out reforestations. As stated by Lapalme (2003) that mining activities lead to the lost of farmland as a result the mining companies should make land reclamation a major activity. Forty five percent of the respondents stated that the mining companies are not performing this role.

The investment in alternative livelihood projects are in line with the assertion of Richards (2002) that simply doling out cash is not a sustainable solution to mining communities’ development, and that modern mining operations should expend considerable resources in social infrastructure investment to ensure that monies paid in compensation are not wasted but invested in good ventures and for the future of the society. Contrary, 64.2% of the respondents saw that the mining companies are failing in this aspect as they are not assisting in the provision of infrastructure such as feeder roads, electricity and other social infrastructure to open up and facilitate business activities in the host communities.

However, 61.7% of the community members and other stakeholder perceived that host communities do not depend much on the mining companies for their livelihood and 29.7% of the respondents think that the closure of the mines will not affect the economic lifestyle of host communities negatively. Conversely, 61.8% of the respondents indicated that though their economic lifestyle do not depend on the mining companies, their closure will indirectly affect them negatively since the vibrant economic activities that exist as a result of the presence of the mining companies will cease to exist.
There were mixed feelings about the capabilities of the District Assembly as a stakeholder to help sustain the current employment level and business activities in the district should the mining companies cease to operate. While 39.5% of the 81 respondents said they can, 35.8% said the District Assembly cannot sustain the businesses and employment levels in the district if the mining companies cease to operate because the Assembly does not have the resources, but 24.7% of the respondents could not state whether the District Assembly has the needed resources and capabilities to sustain the vibrant economic activities in the district or not if the mining companies cease to operate.

In the case of health care and education, majority (75.3% and 61.7% respectively) of the respondents perceived that the DA, MOH and MOE in the district have the resources and capabilities to continue any good work done by the mining companies in areas of health and education. They comment that the mining companies are not doing much in these areas.
CHAPTER FIVE
SUMMARY OF FINDINGS, CONCLUSIONS AND
RECOMMENDATIONS

Introduction

This final chapter presents a summary of the study findings, the conclusions and the recommendations for the enhancement of the mining companies’ Corporate Social Responsibilities to promote cordial relationship between the mining companies and their host communities.

The major objective of the study has been to evaluate mining companies’ social responsibility in the Wassa West District with specific objectives focusing on the contributions of the mining companies to the communities’ development with respect to health, education, employment and how the stakeholders perceive communities’ sustainability.

Case study was the design adopted and the main respondents were people from mining communities who are materially affected by the mining operations, mining companies and organisations and institutions that have stake in mining operations. The sample size was 95 and community members were the majority (74) and the communities involved in the study were 12 drawn from four mining
companies’ operational areas. Only three out of the four mining companies, however, responded to the research query.

Summary of findings

These findings emanate from the study.

- Mining companies have policies on CSR for their host communities. However, companies do not employ one approach but pursue either company initiated social policies and programmes or community and district assembly initiated strategy.

- The mining companies reported that they support host communities during national immunization period and provide drugs and medical equipment to community health facilities. Further, majority of the mining company’s claim they provide health facilities to some host communities, provide education on HIV/AIDS and sponsor outreach medical programmes for host communities. Only one of the companies has shown commitment to controlling of malaria in its host communities.

- Mining companies assert that they are committed to providing schools for their host communities, provide TLM to the schools as well and offer apprenticeship programme to train community members in employable skills. Majority of the companies do not provide incentive packages to teachers who are posted to their catchments areas to motivate them to stay. However, majority of companies provide scholarship schemes to the indigenes of the host communities.
• The mining companies are committed to providing alternative livelihood projects and rely on indigenous local contractors in host communities. However, only one the companies proclaims it operates employment quota system for host communities.

• Mining companies articulated that strategies they have put in place for host communities can make these communities self sustaining even when the mines close down.

Community members and other stakeholders’ perspective

• Majority of the sampled stakeholders believe that mining companies’ social projects to host communities are usually pushed for by the community leaders or the district assembly and not through the companies’ own initiatives.

• Greater number of respondents perceived that mining companies are not committed to providing health facilities, health education including HIV / AIDS awareness, provision of drugs and medical equipment and support for immunization.

• Common notion among the stakeholders is that the mining companies have been providing scholarships to the youth in the host communities as a means of improving the level of education.

• Respondents perceived that mining companies are not showing concern with respect to motivation of teachers sent to host communities, provision of teaching and learning materials and physical facilities for the community schools.
• The widely held view among the respondents is that mining companies are committed to providing alternative livelihood projects in their host communities; but companies have not shown commitment in the areas of employment quotas for communities in the mines and reliance on local and indigenous local contractor and suppliers.

• Greater number of respondents perceived that though the indigenes have strong interest in the alternative projects, the youth prefer working in the mines instead of concentrating on the alternative livelihood projects.

• The general impression among Stakeholders is that education and health care delivery systems in host communities would not be affected in the event of mine closure due to existence of Ministries of Health and Education but business activities would be negatively affected because business activities rely mainly on the mines, whilst the infrastructure is also not well developed in the mining communities. This is a threat to community sustainability.

Conclusions

Based on the findings of the study, the following conclusions were drawn regarding the corporate social responsibilities of the mining companies in the Wassa West District.

The perception among community and other stakeholders is that the mining companies are not pursuing pro-active or social contribution approach to CSR due to the fact that community leaders, opinion leaders or the District
Assembly usually push for, persuade or threaten the mining companies for social projects before these companies provide such social assistance.

There is unsatisfactory contribution of mining companies towards host communities’ health care from the perspective of the community members and other stakeholders. The involvement of mining companies in community health care in terms of health post, immunization, health education on HIV / AIDS is not encouraging.

In terms of educational development, there is a general view that mining companies are doing well in the award of scholarships and bursary facilities to the indigenes and youth in host communities to broaden their knowledge. However, the companies are seen not to be doing well concerning school facilities, provision of teaching and learning materials and incentive to motivate teachers to stay in mining communities.

Mining companies employ insignificant number of indigenes as a result of low or no level of education and lack of technical knowhow to place them in a gainful employment in the mines. Most of the companies have not shown commitment to giving employment quotas to indigenes in host communities for unskilled job positions. However, to build the capacity of the community members mining companies have put in place alternative livelihood employment programmes for the indigenes. Though the indigenes have strong interest in these projects, they rather prefer to work in the mines as a result of income uncertainties associated with the alternative livelihood projects and lack of access to start-up capital and credit.
Finally, the general perception among the stakeholders is that the mining communities cannot stand the test of sustainability when the mines close down because the economic activities are dependent on the existence of the mines.

Recommendations

Based on the research findings and the conclusion drawn, the following recommendations are proposed for the mining companies and the communities (district assembly).

The mining companies

The mining companies in their effort to perform their corporate social responsibilities should:

- Encourage their community affairs department to have frequent dialogue with their host communities to communicate the companies’ policies and programmes on CSR and to identify communities’ need for which the company can develop.
- Invest resources to control malaria, provide clinics for host communities, assist communities during immunization and offer education on HIV / AIDS in their host communities.
- Support the district assembly and the ministry of education to improve upon the level of education in their host communities by giving incentive to teachers, provide school facilities for communities without schools, support community schools with
teaching and learning materials and increase the scholarship award scheme.

- Provide some employment opportunities to the indigenes in the mines by giving employment quotas to communities especially jobs that do not require special skills. This will make the community members feel as part and beneficiary of activities of mining companies thereby creating a peaceful environment for mining activities.

- Also improve upon the alternative livelihood programmes to cater for all those who lose their sources of employment as a result of the activities of mining. The livelihood programmes should have a revolving fund to provide start-up capital to those who undertake the programme. The fund should be well managed so that borrowers repay the amount so that others could access it.

- Regain the mined pits by filling these pits and reforest them. Again, they should collaborate with the district assembly to develop the road infrastructure to open up the mining communities to other towns and cities to expand the market for livelihood projects.

The mining communities

- The chiefs and opinion leaders of host communities should encourage the youth in their communities to take education
seriously because that is the best way to fight poverty. Also, it is the best means of getting better job in the mines.

- The local businesses that developed as a result of the mines should not limit their markets to mining communities but to other communities outside the mining communities.

- The community members must ensure that all financial assistance extended to them for business start-up is repaid on time for others to access it.

- The chiefs should sign agreement with the mining companies on specific community development projects even before the mine is giving the permit to operate. This then becomes a binding agreement to ensure compliance.

**Suggestions for further research**

A number of issues have emerged from the research as bases for further investigation. For instance extending the study to cover effective communication between mining companies and their host communities’ would be a valuable means of undertaking corporate social responsibility activities in Wassa West District.

Again, the scope of the research did not cover into details the sustainable development of the mining communities in the Wassa West District. An in-depth research into this might also add to the available literature in the area.
It is also hopeful that similar study shall be conducted at other mining communities in the country and sub region to enhance the fountain of knowledge on the effect of mining activities.
REFERENCE


Monographs, No. 5 Washington DC. World Bank, working papers 153.


Www.ghanadistrict.com: *Wassa West District Profile*.


APPENDIX I

Semi-structured interview guide for management of mining companies

1. What is the name of your company?
2. Which communities are within your catchment area?
3. Does your company have a policy on CSR? If yes why?
4. If there is a policy what does it say about Community Health care, Education and Employment?
5. What has your company done to improve upon the health care delivery in the mining communities?
6. What has your company done to promote education of youth within your catchment area?
7. What has your company done or is doing to enhance the employment status of indigenes within the catchment area?
8. What percentage of your company's income went into these activities in the last 5 years?
9. Were the activities in 5-7 requested for by the communities?
10. Are the communities happy about these activities or projects?
11. What has been the relationship between the mining companies and the communities in your catchment area?
12. How is the company ensuring the sustainable development of the communities within the catchment area?
13. What strategies have you put in place to mitigate some of the social impacts of mining?
APPENDIX II

QUESTIONNAIRE FOR STAKEHOLDERS

UNIVERSITY OF CAPE COAST

SCHOOL OF BUSINESS

Interview schedule for Opinion leaders, Assemblymen/women, Leaders of Association and Community members

I am a student of the University of Cape Coast working on my thesis for a Master of Business Administration. This questionnaire is to help me collect data to achieve my academic pursuit. All respondents are assured that their responses are for academic purposes, and that their identity would be protected at all times based on ethical principles of confidential and anonymity. Your cooperation is essential, since the success of the research depends on your truthful and sincere responses.

Stakeholder Information

Please tick {X} in the appropriate box.

i. Which of the following stakeholders do you belong:

- Local Community Representative { } District Assembly Representative { } District Health Services Representative { }
- Ministry of Education { } District labour department { }
- Others .................................................................

ii. Respondents Status ......................................................
iii. Name of company or institution..............................................

iv. Name of community (ies) ..................................................

.................................................................

Please indicate the extent of your agreement with the following statements by ticking ‘X’ on the scale that most nearly reflects the extent to which you agree or disagree. Using this key:

- 5 = Strongly Agree (SA)
- 4 = Agree (A)
- 3 = Neutral (N)
- 2 = Disagree (D)
- 1 = Strongly Disagree (SD)

HEALTH ISSUES

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1. People in host (mining communities are Healthier because of the mining companies support in the area of health

2. The mining companies are committed to providing health education including HIV/AIDS awareness to the mining communities.

3. Health equipment and materials including drugs have been donated by the mining company(ies) to improve upon health delivery system in this mining community
4. Child immunization programmes are been supported by mining companies in this mining community.

5. Health facilities in the form of building are provided by the mining companies to this mining community.

6. The community leaders usually request the mining companies to support the health care delivery in this mining community.

7. The District Assembly and Ministry of Health usually request the mining companies to assist the mining community (ies) in their health care needs.

8. The mining companies’ contribution to health needs of the mining communities is mostly from the companies’ own initiative.

9. The Health care delivery in host community (ies) depends solely on the mining companies.

10. The involvement of mining company (ies) in community health care is a remedial measure to health hazards caused by mining activities.

11. Mining activities in this area have contributed to high incidence of Malaria.

12. Due to mining activities respiratory tract infections are common in this mining community.
13. Due to mining activities skin diseases are common in this mining community.

14. Mining activities in this area have contributed to the emergence of HIV/AIDS in the host communities.

15. The mining company (ies) has (have) invested resources in the control of diseases.

16. Other stakeholders (Ministry of Health and District Assembly) in the community are resourceful and capable of continuing. The health care delivery should the mining Company (ies) cease to operate.

EDUCATION

17. Youth in this mining community are better educated due to the mining companies support in education.

18. This community is benefiting from scholarships and bursary schemes provided by the mining company (ies) operating in this area.

19. The mining company (ies) in this area donate teaching and learning materials to our community schools.
20. The mining company (ies) has (have) improved education in this host community through the provision of school blocks and recreational facilities.

21. The mining company (ies) in this area support the welfare of teachers in this community.

22. Some youth of this community abandon their education because of mining activities.

23. The support to education by the mining company (ies) are as a result of the companies’ own policies/initiatives.

24. The survival of schools in this mining community is mostly dependent on the support of the mining companies.

25. The ministry of education and District assembly in this community are resourceful and capable of supporting education should the mining company (ies) cease to operate.

EMPLOYMENT

26. People in mining communities have more employment opportunities with the mining company (ies).

27. The mining companies have given employment quota to indigenes of this mining community.
28. The youth in this mining community prefer to work in the mining companies than other employment avenues recreational facilities.

29. Mining company (ies) is (are) committed to providing alternative livelihood projects people of this mining community.

30. Mining company (ies) is (are) committed to providing skill training for the youth of this mining community to make them employable.

31. The mining company (ies) encourage and rely on indigenous local contractors and suppliers of this mining community as a way of promoting local firms.

32. Business development fund has been set up by the mining companies to support local and indigenous business.

33. The indigenes in this mining community have interest in programmes in (29-32) above.

34. Ancillary and cottage industries have sprang up in this mining community due to the activities of the mining company (ies)

35. The mining companies are the major providers of socio-economic infrastructure such as feeder roads and electricity to facilitate transport of goods, commerce & services in this mining community
36. The provision of direct employment in the mine and alternative livelihood projects being pursued by the mining company (ies) are the initiatives of the mining company (ies).

37. The closure of the mining companies will affect the economic life of this mining community Negatively.

38. Farming and hunting activities have declined as a result of mining activities in this area.

39. Other stakeholders (District Assembly) in this mining community are resourceful and capable of maintaining the business development should the mining company cease to operate.

GENERAL

40. People in this mining community are happy about the presence of the mining company (ies).

41. The presence of the mining company (ies) has (have) led to a rise in social vices in this mining community.

42. The mining companies usually disclose social information in their corporate reports to stakeholders.

43. There is cordial relationship between the mining company (ies) and this mining community.
44. The standard of living of this mining community has improved as a result of mining activities in this area.

5 4 3 2 1

45. Dependency on mining companies on education, health and employment has increased over the last 5 years.

5 4 3 2 1

46. The mining company (ies) are embarking on land reclamation and afforestation in this mining community.

5 4 3 2 1

47. Standard of living of this community has improved due to activities of mining.

5 4 3 2 1
APPENDIX III

RESEARCH MODEL

Research Problem RQ1, 2 and 3
Review Literature for RQ answers and positioning of RQ
Methodology for getting answers to RQs unanswered- Case study

Secondary data collection

Primary data collection

Interviews (With guide)
Questionnaires (Likert scale)

Content analysis and themes
Qualitative Data analysis: (transcribe interview response and establishing themes and patterns)
Quantitative Data Analysis using ratios & frequencies

Findings and conclusions: Answers to RQ

RQ (Research question)

Source: Authors’ construct, 2007
## APPENDIX IV
### SUMMARY OF INTERVIEWS

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<th>GSRB</th>
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<td>To ensure sustainable health care delivery in host communities</td>
<td>To implement health and safety policies, procedures and management systems</td>
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<td>To ensure sustainable education in the host communities</td>
<td>To assist in providing better education for the youth</td>
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<td><strong>Corporate Social Policy on Employment</strong></td>
<td>To give preference to local and indigenous people</td>
<td>To ensure sustainable employment to host communities</td>
<td>To provide training, long term alternative economic &amp; capacity building projects for the benefit of mining communities</td>
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| **Health Initiatives**        | 1. Train community health Aid volunteers.  
2. AIDS/HIV education sponsored by company.  
4. Provide vehicle & personnel during immunization programmes. | 1.Construction of health infrastructure  
2. Train community health water & sanitation facilitators  
3. Supply of drugs & medical equipment.  
2. Donates drugs & medical equipment to health posts  
3. Provide transport for immunization exercises. |
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<th>1. Provision of early childhood development centre</th>
<th>1. Construction of educational infrastructure such as schools, teachers quarters &amp; administration block.</th>
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<td>2. Incentive package for teachers being 15% of salary as rural hazards.</td>
<td>2. Provision of scholarship schemes for children in host communities</td>
<td>2. Provision of teaching &amp; learning materials to community schools</td>
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<td>4. Provision of teaching &amp; learning materials for community schools.</td>
<td>4. Donations to the University of Mines &amp; technology in Tarkwa.</td>
<td>4. Institution of apprenticeship scheme for community members</td>
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<td>5. Provision of school buses for schools in host communities</td>
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<th><strong>Employment Initiatives</strong></th>
<th>1. No employment quota for host communities</th>
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<td>2. Contracts are giving to chiefs in the host communities</td>
<td>2. The use of local contractors and suppliers</td>
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<td>3. Encourage local suppliers and contractors in the supply of catering</td>
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<td>3. Alternative livelihood projects</td>
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<td>Percentage of income towards community development</td>
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<td>Between 1-2%</td>
<td>About 1%</td>
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<td>--------------------------------------------------</td>
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<tr>
<td>How projects get to host communities</td>
<td>Both company and community initiatives depending on the urgency of the situation</td>
<td>Community request but should be in line with the District Assembly’s objective.</td>
<td>Company initiative.</td>
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| Areas of Alternative livelihood projects           | 1. Microfinance and Small business development  
2. Development of agriculture and agro processing | 1. Development of agriculture and agro processing  
2. Small business development | 1. Development of agriculture and agro processing  
2. Small business development |
| Alternative livelihood projects                    | 1. Granting of soft loans to individuals and groups in the host communities to go into private businesses  
2. Oil palm production and processing  
3. Fish farming & livestock rearing  
4. Bread & soap making  
5. Vegetable, snail & grass cutter farming | 1. Oil palm cultivation and processing  
2. Livestock rearing and fish farming  
3. Cassava cultivation & processing  
4. Bakery, soap making and pomade making  
5. Batik tie & dye making | 1. Oil palm cultivation & processing  
2. Fish and poultry farming  
3. Vocational training |

Source: Field survey, 2007
APPENDIX V

Transcription of interview responses from community affairs manager of
Anglogold Ashanti (Iduapriem) Ltd.

1. What is the name of your company?

   As you noticed at the gate house, this is Anglogold Ashanti (Iduapriem) Limited. It is a subsidiary of Anglogold group of South Africa.

2. Which communities are within your catchment area?

   There are eight (8) major communities that are within the catchment area of this company. These are Wangarakrom, Mile 7, Teberebie, Akyaemponkrom, Adieyie, Mile 10, Adezakrom and Mile 8.

3. Does your company have a policy on CSR? If yes why?

   Yes as a body corporate it is necessary to have a policy on corporate social responsibility. This is due to the fact that the company takes a lot from the communities and therefore need to have a way of giving back to those communities.

4. If there is a policy what does it say about Community Health care, Education and Employment?

   To simplify this, the health policy of this company talks about ensuring safety and to provide health care for the surrounding communities. With respect to education, the company’s policy is geared towards provision of quality education for the indigenes. Aside the policies on health and education, it is AGAI’s desire to give as many as possible employments to the indigenes. Our company has therefore instituted a policy of given
preference to local and indigenous people when it comes to job vacancies.

5. What has your company done to improve upon the health care delivery in the mining communities?

We have trained and continue to train community health Aid volunteers in all our communities to help deal with emergency health care problems before liaising with the government health post. We have also taken keen interest in dealing with the AIDS and HIV menace. AGAI has been sponsoring the education of this menace in our catchment area and some part of the Wassa West District. As part of our strategy, we have provided health post at Adieyie community. We also provide vehicle and personnel during immunization programmes. The company has also been sponsoring the fight for malaria in the district.

6. What has your company done to promote education of youth within your catchment area?

In fact, educational standards in these communities are very low due to lack of teachers, teaching and learning materials and parental controls. As a result of this our company has provided some early childhood development centres in some communities, created incentive packages for teachers posted to our communities with 15% of their salaries as rural hazards, provided scholarship schemes for children and make available TLM for the schools. We also provide in-service training for teachers in host communities.
7. What has your company done or is doing to enhance the employment status of indigenes within the catchment area?

This has been a major source of worry among stakeholders. This is because most of the indigenes are neither educated nor skilful and therefore not employable in the mines. This has resulted in tension between the indigenes and the company. The strategies we have adopted to deal with this problem are: (a) to give all manual jobs to the community members through the chiefs, (b) encourage local suppliers and contractors in the supply of catering materials (c) institute alternative livelihood projects (d) provide credit system within the communities (e) provide training in the management of indigenous businesses.

The interested indigenes have been trained and supported in bread and soap making, fish farming, oil palm production and processing, snail and grass cutter farming, livestock rearing and vegetable production.

8. What percentage of your company's income went into these activities in the last 5 years?

This is difficult to establish but on the average, it is estimated to be around 1% of the company's total income.

9. Were the activities in 5-7 requested for by the communities?

At certain times through our interaction with the communities we are able to identify some needs and the company implement them. In some situations too, the communities put in their request and the company tries to achieve them.
10. Are the communities happy about these activities or projects?

Yes the communities are happy about these projects, our company has been providing to them. Additionally, we have provided the platform for which there is constant dialogue between them and our company.

11. What has been the relationship between the mining companies and the communities in your catchment area?

The relationship between us and the communities are now cordial. There use to be problems with compensation but they have now been resolved.

12. How is the company ensuring the sustainable development of the communities within the catchment area?

AGAI has developed a model for sustainable development in its catchment areas. These comprise of alternative livelihood project, site restoration and rehabilitation projects. We have established alternative livelihood projects consisting of agricultural and non-agricultural projects. Agricultural projects include training people in oil palm production and processing, snail and grass cutter rearing, livestock rearing, vegetable production and fish farming. Our company has been training community members in bread and soap making. There is also micro finance for the indigenes after receiving training in alternative livelihood ventures. In terms of site restoration and rehabilitation we have embarked on re-filling of mined pits and re-forestation of abandoned sites. These are being carried out in collaboration with Opportunities Industrialization Centres International (OICI) and EPA.
13. What strategies have you put in place to mitigate some of the social impacts of mining?

Some of the negative impacts of mining in our area are noise, dust, water pollution and difficulty in getting access to land for farming. The company has installed dust and noise monitors to measure their levels to ensure that they are in line with the WHO and EPA standard. These are measured in collaboration with the community representatives. The roads are also watered frequently to reduce the dust emission to the communities.

Source: Field survey, 2007
APPENDIX VI

Transcription of interview responses from community affairs manager of

Goldfields Ghana Limited, Tarkwa.

1. What is the name of your company?

   This is Goldfields Ghana Limited. A limited liability company registered
   in Ghana

2. Which communities are within your catchment area?

   We have about eight (8) communities within which we operate. These are
   Abontuakoon, Atuabo, Tarkwa, Brahabobom, Samahu, Abekoase, Huniso
   and Pepesa

   This company has operated in these communities for the past fourteen
   years after taken over from State Gold Mining Corporation(SGMC)

3. Does your company have a policy on CSR? If yes why?

   Yes our company has a policy on social responsibility. We have the policy
   because as a body corporate, we would like to show how committed we are
   to good community relations.

4. If there is a policy what does it say about Community Health care,
   Education and Employment?

   Our policy is general in nature which seeks to undertake sustainable
   development programmes in the host communities. It therefore cuts across
   education, health and employment.

5. What has your company done to improve upon the health care delivery in
   the mining communities?
We have done a lot to improve upon the health care delivery in the communities through construction of health infrastructure in most communities including clinic at Atuabo and maternity block for the Tarkwa Government hospital, training of water and sanitation (WATSAN) committees and community health facilitators, supply of drugs and medical equipment to health posts and free consultation by medical doctors in communities.

6. What has your company done to promote education of youth within your catchment area?

In the area of educational development, Goldfields Ghana has shown commitment in the construction of educational infrastructure such as schools, teachers quarters and GES administration block at Tarkwa. Apart from this, we have instituted scholarship scheme for Senior High School, vocational and tertiary institutions for children in host communities. In 2007 financial year 92 scholarships were offered to various communities and their youth costing us GhC67,600. We have again put in place apprenticeship programme for those who are not able to further their formal education, to learn a trade.

7. What has your company done or is doing to enhance the employment status of indigenes within the catchment area?

Unemployment is a serious problem in our communities. Strategies that we have put in place to address this problem include the following: (a) given contracts to chiefs of host communities so that they can employ their
indigenes, (b) putting in place community employment programme
whereby job vacancies are given to indigenes by the company and its
contractors and (c) establishing alternative livelihood projects for the host
communities aimed at reducing the dependence on the mine for
employment. The indigenes most of the time prefer working with the mines
than doing self employed work. They see working in the mines as a source
of good and regular income than other forms of employment.

As we have alternative livelihood projects, the indigenes have been
encouraged and supported in oil palm production and processing,
vegetable cultivation, cassava cultivation and processing, livestock
rearing, bakery, batik, tie and dye, soap and pomade making. A total of
1,700 indigenes have been supported in these projects between 2006 and
2007. The people have welcomed this and is yielding good dividend.

8. What percentage of your company's income went into these activities in
the last 5 years?

Over the years we have been spending between 1-2% of the company's
income on community development project in host communities. In 2006
and 2007 we spent US$1.38m and US$1.40m respectively on community
projects.

9. Were the activities in 5-7 requested for by the communities?

Our strategy has been to allow the communities and their leaders to
request for social support, but have been made aware that such demand
must be in line with the district assembly’s objective. Anything contrary is
10. Are the communities happy about these activities or projects?

I think the communities are happy with what we are doing for them and this is demonstrated by the kind of cordial relationship that exists between our company and the communities.

11. What has been the relationship between the mining companies and the communities in your catchment area?

There is a very cordial relationship between our company and the communities. We frequently have stakeholders meetings with them to inform them about our social development programmes and to seek their inputs.

We also disclose our social contributions to host communities, that is, sustainability reporting in our annual reports.

12. How is the company ensuring the sustainable development of the communities within the catchment area?

We know very well that one day this mine will close down and therefore this company is seriously putting in place strategies to ensure sustainability of these communities. As a result of this, the company has started implementing a sustainable community empowerment and economic development programme (SEED) in the communities. Such programmes include, re-filling of mined pits and re-foresting those sites. With the development of alternative livelihood programmes, community members are being assisted to learn a trade and profession other than
reliance on mines for employment. We have also tried to link our host communities to the district capital through feeder roads and to the national electricity grid.

13. What strategies have you put in place to mitigate some of the social impacts of mining?

Surface mining are not operated without problems to the communities hosting these companies. Some of the problems we have created are inadequate lands for farming, water pollution, air pollution and immigration resulting in unemployment in Tarkwa area, prostitution, and AID and HIV prevalence.

We are implementing a SEED programme. We are also implementing community employment programme. The chiefs have been encouraged to provide alternative land to the indigenous farmers. Some of the affected communities such as Atuabo have been relocated. We have been paying fair compensation to land owners. In collaboration with the EPA we are carrying out pit re-filling and tree planting of the mined sites. Streams and rivers flowing through the communities are regularly tested to ensure that they are not polluted.

Source: Field survey, 2007
APPENDIX VII

Transcription of interview responses from community affairs manager of Golden Star Resources Bogosu / Prestea limited.

1. What is the name of your company?

   This is Golden Star Resources Prestea/ Bogosu Ltd.

2. Which communities are within your catchment area?

   There are sixteen (16) communities being hosted by this company. These are Prestea, Bogosu, Bepo, Dumase, Awodua, Bondae, Kyekyewere, Juaben, Anikoko, Chujah, Mampon, Pampe, Ningo, etc

3. Does your company have a policy on CSR? If yes why?

   Yes Golden Star has a policy on corporate social responsibility. The policy is to guide the company in achieving her corporate social programmes.

4. If there is a policy what does it say about Community Health Care, Education and Employment?

   Our policy on health for the communities is to implement health and safety policies and procedures and management systems.  
   As regards policy on education, it is the desire of the company to assist in providing better education for the youth in the host communities.  
   As far as social policy on employment is concerned, our company has a policy of training the youth, have long term alternative economic and capacity building projects for the benefit of the mining communities.
5. What has your company done to improve upon the health care delivery in the mining communities?

_We have been doing our best to support the health care delivery in our host communities. What we have done so far are (a) in support of maintenance of health personnel quarters, (b) provision of drugs and other medical equipment to various health posts within our catchment area. (c) We also provide transport during immunization programmes in the host communities and (d) to ensure that there is good sanitation and potable water in host communities._

6. What has your company done to promote education of youth within your catchment area?

_We have constructed day care centres in two (2) key communities. This is to enhance early childhood development in these communities. Besides, we have put up a public library equipped with books for the Bogosu community, whilst books and other TLM have been given to six other schools in our catchment communities. Again, our company has designed apprenticeship scheme since 2001 training local youth at the University of Mines (Tarkwa) and on the job training at the mine._

7. What has your company done or is doing to enhance the employment status of indigenes within the catchment area?

_Offering of employment by our company to the indigenes has not been an easy thing for the company. The communities are many and the number of_
job seekers are also many. Meanwhile, jobs in the mine are so technical that special skills are required but the indigenes lack these skills to make them employable in the mine. In view of this, we have put in place an employment quota system for the communities within our catchment area based on the size of the population.

Additionally, preference is given to local people first for all jobs where skills meet work specification. There is also use of local contractors and suppliers all aimed at generating employment. Finally, we have created alternative livelihood projects to create employment and to help reduce dependence on the mines for employment and livelihood.

The alternative livelihood have so far centred on oil palm production and processing, poultry and fish farming, vegetable cultivation and vocational such as dress and soap making. About 319 individuals are involved in oil palm production and processing. For fish and poultry farming 24 individuals are involved. In terms of dress and soap making there are 78 people.

8. What percentage of your company's income went into these activities in the last 5 years?

As a company we spend about 1% of our income on social projects in host communities. As we pay royalties to the district assembly and the chiefs every year, we expect both the district assembly and the chiefs also to use these funds to develop these communities to complement the social projects we carry out in these communities.
9. Were the activities in 5-7 requested for by the communities?

   Well, the provisions of social projects are basically the initiative of the company. However, we most of the time do them in consultation with the opinion leaders.

10. Are the communities happy about these activities or projects?

   Yes the communities are happy about what we have been doing for them.

11. What has been the relationship between the mining companies and the communities in your catchment area?

   The relationship between us and the communities have remained cordial with the exception for Prestea community where there is confrontation between the galamsey operators encroaching the mines concession and GSRL. It is also important to be transparent and open, to give the people the opportunities to voice their concerns and to update information to the people.

12. How is the company ensuring the sustainable development of the communities within the catchment area?

   The community members are given training and financial packages for livelihoods, water facility management and skill training.

   The company is also ensuring that all the mined pits are re-filled and afforest for future use and as part of our mine closure plan. We have also done our best to open up these communities to other parts of the district through road construction and the link to the national electricity grid.
13. What strategies have you put in place to mitigate some of the social impacts of mining?

_There cannot be mining without negative social impact. What we have encountered include pollution of water bodies and loss of farm lands which serve as source of livelihood for the communities. We have therefore been carrying out test periodically on the water bodies to see how safe the streams and rivers are for human use. We also provide bore holes and hand dug wells in areas where water bodies are affected by pollution as replacements. The compensation paid to all affected persons whose farm lands have been affected by mining activities are above Land Valuation Board (LVB) rates. We are also seriously looking at relocating some of the communities like Dumase and Anikoko._

APPENDIX VIII

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<tr>
<td>Largest Contiguous Area</td>
<td>524288 bytes</td>
</tr>
<tr>
<td>Workspace Required</td>
<td>2144 bytes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Warnings</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Case Processing Summary</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Cases</td>
<td>N</td>
</tr>
<tr>
<td>Valid</td>
<td>81</td>
</tr>
<tr>
<td>Excluded(a)</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>81</td>
</tr>
</tbody>
</table>

a Listwise deletion based on all variables in the procedure.

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Cronbach's Alpha</td>
<td>.885</td>
</tr>
<tr>
<td>N of Items</td>
<td>44</td>
</tr>
</tbody>
</table>

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