

**UNIVERSITY FOR DEVELOPMENT STUDIES, TAMALE**

UNIVERSITY FOR DEVELOPMENT STUDIES

**ASSESSING CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY OF  
MINING COMPANIES IN THE EAST AKIM MUNICIPALITY**

**ANDREWS PERPREM**



**2018**

**UNIVERSITY FOR DEVELOPMENT STUDIES, TAMALE**

**ASSESSING CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY OF  
MINING COMPANIES IN THE EAST AKIM MUNICIPALITY**

**BY**

**ANDREWS PERPREM (BA. INT. BUS. STUDIES)**

**(UDS/MDM/0370/15)**

**THESIS SUBMITTED TO THE DEPARTMENT OF GOVERNANCE AND  
DEVELOPMENT MANAGEMENT, FACULTY OF PLANNING AND LAND  
MANAGEMENT, UNIVERSITY FOR DEVELOPMENT STUDIES, IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF  
PHILOSOPHY IN DEVELOPMENT MANAGEMENT**



**FEBRUARY, 2018**

**DECLARATION**

**Student**

I hereby declare that this thesis 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: Andrews Perprem

**Supervisor**

I hereby declare that the preparation and presentation of the thesis was supervised in accordance with the guidelines on supervision of thesis laid down by the University for Development Studies.

Supervisor's signature ..... Date .....

Name: .....

UNIVERSITY FOR DEVELOPMENT STUDIES



## **DEDICATION**

This piece of work is dedicated to the memory of my Late Great Grandmother, Obapanyin Nana Adwoa Fordjour Tutua, a selfless great woman who inspired my life to believe in the possibility of life.



## ACKNOWLEDGEMENT

Foremost, I thank God for granting me the mercy and favour for the successful completion of this piece of work. I also thank my wonderful supervisor, Dr. Isaac Agyemang for sharing his priceless experience with me and contributing immensely towards the success of this work.

I greatly appreciate the efforts of Mr. Abraham Hulede, Mr. James Nti-Gyaebour, Professor meritus Archie Carroll of The University of Georgia, Atalanta-USA, Mr. Bashiru Motin, Dr. Gordon Sabutey, Dr. Raymond Aabeyir, Mr. Elvis Atakora-Amaniampong, Madam Ruth Sarpong, Miss Ruth Aseiduaa Ampong, and Mr. Abdel-Kadri Fuseini and Miss Benedicta Botchie for their various contributions towards the successful completion of this piece of work.

My special appreciation goes to the chiefs and people of Akyem Agyapomaa, Adukrom and Asikam, the employees and management of MOS Mining, MGR and Atta Gold without whom the study would not have been possible. I also thank the staffs of East Akim Municipal Assembly, the Mineral Commission (Eastern Region) and the Environmental Protection Agency (Eastern region) for providing the needed information for the success of this study.

My appreciation also goes to Professor Emeritus Archie B. Carroll formerly of the University of Georgia (originator of CSR Pyramid Model) and my brother and a friend, Narhngua Kwame Perprem for his mentorship, advice and encouragement. I also appreciate the efforts of all the invisible hands that have contributed to my study through prayers. I pray the good Lord rewards you all, for your resources spent on me.



## ABSTRACT

The activities of small scale mining (SSM) companies have come under great scrutiny in Ghana due to bad public image and perception, threatening the sustainability of the sector. The study therefore assessed the extent of corporate social responsibility (CSR) and sustainability adherence by SSM companies operating in the East Akim Municipality. The study further investigated the extent of CSR existence in the organizational policies of SSM companies, analyzed the pattern of SR practices of SSM companies, ascertained the extent of CSR practices effects on the organisational performance of SSM companies and examined the extent of CSR practices effects on the livelihood of residents of the East Akim Municipality. A conceptual framework was constructed for the study based on the Pyramid Model and the Stake Holders Theory. Employing four-stage sampling processes consisting of purposive, proportionate, accidental and systematic random sampling techniques and the use of descriptive cross-sectional survey design, 229 respondents were selected from three mining communities, three licensed mining companies operating in the communities, the Mineral Commission, the Environmental Protection Agency and the East Akim Municipal Assembly. Descriptive statistics and content analysis were employed for the data analysis through the help of statistical package for social sciences (SPSS) version 21. The study discovered that all the studied mining companies incorporate some level of CSR practices in their operations, even though only one company has written document guiding its CSR practices. The study recommends that the Government through a Legislative Instrument (LI) should empower the District Assemblies to undertake the processing, issuance and renewal of small scale mining license. This will encourage many miners who refuse to go for operating permit because of delay in issuance and bureaucracy to do so, thereby helping to better regulate the sector.



**TABLE OF CONTENTS**

DECLARATION ..... 1

DEDICATION ..... ii

ACKNOWLEDGEMENT ..... iii

ABSTRACT..... iv

TABLE OF CONTENTS..... v

LIST OF TABLES ..... ix

LIST OF PLATES ..... x

LIST OF FIGURES ..... xi

CHAPTER ONE..... 1

INTRODUCTION ..... 1

    1.1 Background to the Study ..... 1

    1.2 Problem Statement ..... 7

    1.3 General Research Question ..... 9

        1.3.1 Specific Research Questions ..... 9

    1.4 General Objective..... 10

        1.4.1 Specific Objectives ..... 10

    1.5 Significance of the Study ..... 11

    1.6 Scope of the Study..... 12

    1.7 Organisation of the Study..... 13

CHAPTER TWO ..... 14

REVIEW OF RELATED LITERATURE ..... 14

    2.1 Introduction ..... 14



2.2 Definition of Relevant Concepts .....	14
2.2.1 Corporate Social Responsibility (CSR) .....	14
2.2.2 Sustainable Mining .....	19
2.2.3 Small Scale Mining .....	21
2.3 Historical Antecedence of SSM in Ghana.....	24
2.3.1 Characteristics of SSM Operation .....	26
2.3.2 Laws Governing SSM Operation in Ghana .....	28
2.3.3 Impact of Small Scale Mining Operation on Stakeholders .....	29
2.4 Historical Overview of CSR .....	31
2.4.1 Perspectives of CSR.....	33
2.5 Some Models of CSR Practices .....	36
2.5.1 Three-Stage Model .....	37
2.5.2 Pyramid Model (Carroll 1979, 1991) .....	38
2.5.3 Lantos’s Model.....	42
2.5.4 The Intersecting Circles Model of CSR .....	43
2.5.5 3C-SR Model.....	45
2.5.6 The Liberal Model .....	45
2.6 Evolution of Sustainable Development.....	46
2.6.1 Dimensions of Sustainable Development.....	48
2.7 CSR and Sustainable Development in Mining.....	49
2.7.1 Pattern of CSR Practices in the Mining Industry .....	51
2.8 Drivers of CSR in the Mining Sector .....	54
2.9 CSR and Organisational Performance of Mining Companies .....	56





2.9.1 Arguments against Mining Companies' Involvement in CSR Activities.....	57
2.10 Theoretical Framework .....	58
2.10.1 Stakeholder Theory.....	58
2.10.2 Triple Bottom Line Theory (TBL) .....	59
2.10.3 Conceptual Framework.....	61
CHAPTER THREE .....	64
METHODOLOGY .....	64
3.1 Introduction .....	64
3.2 Profile of East Akim Municipality .....	64
3.3 Research Design.....	69
3.4 Population of the Study .....	70
3.5 Sample Size and Sampling Technique .....	70
3.5.1 Sample Size .....	70
3.5.2 Sampling Techniques .....	73
3.6 Data Collection.....	75
3.6.1 Sources of Data.....	75
3.6.2 Method of Data Collection .....	75
3.7 Data Analysis .....	77
3.8 Reliability and Validity of Data .....	77
3.8 Limitation of the study .....	78
CHAPTER FOUR.....	79
RESULTS AND DISCUSSION .....	79
4.1 Introduction .....	79



4.2 Socio-demographic Background of Respondents .....	79
4.2.1 Gender Distribution of Respondents .....	80
4.2.2 Highest Educational Attainments of Respondents .....	80
4.2.3 Respondents' Age, Household Size, Dependency and Period of Stay in the Community .....	82
4.3 Existence of CSR in the Organizational Policies of Small Scale Mining Companies .....	83
4.4 Pattern of CSR Practices of Small Scale Mining Companies .....	87
4.4.1 Legal Responsibilities.....	87
4.4.2 Economic Responsibilities .....	92
4.4.3 Ethical Responsibilities .....	101
4.4.4 Philanthropic Responsibilities .....	110
4.5 CSR Practices and Organisational Performance of Small Scale Mining Companies .....	118
4.6 Effects of CSR Practices on the Livelihood of Residents.....	121
4.6.1 Current and Past Income Generation Activities and Savings Pattern of Residents....	121
4.6.2 Socio-economic Situation of Residents .....	123
HAPTER FIVE .....	126
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....	126
5.1 Introduction .....	126
5.2 Summary of Major Findings .....	126
5.3 Conclusions .....	129
5.4 Recommendations .....	130
REFERENCES .....	134
APPENDIX.....	158



**LIST OF TABLES**

Table 3. 1: List of Respondents for the study ..... 72

Table 4. 1: Gender of Respondents ..... 80

Table 4. 2: Highest Educational Qualification ..... 81

Table 4. 3: Statistics of Age, Household Size and Dependency ..... 83

Table 4. 4: Companies' Legal Responsibilities towards Employees and Regulators ..... 92

Table 4. 5: Direct Employment Opportunity for Respondents ..... 97

Table 4. 6: Monetary Compensation ..... 100

Table 4. 7: Companies' Ethical Responsibilities towards Employees ..... 103

Table 4. 8: Companies' Ethical Responsibilities towards Residents and Regulators ..... 108

Table 4. 9: Respondents' Occupational Status and Yearly Savings ..... 123

Table 4. 10: Socio-economic Conditions of Mining Communities ..... 125



## LIST OF PLATES

Plate 3. 1: Map of East Akim Municipal Assembly Showing the Major Settlements.....	68
Plate 4. 1: An Uncovered Abandoned Old Mining Pit at Agyapomaa .....	109
Plate 4. 2: A Bulldozer Refilling Old Mining Pit at Asikam .....	109
Plate 4. 3: An Ongoing Mining in the Birim River at Adukrom .....	110
late 4. 4: An Ongoing Construction of a Three Unit Classroom Block at Adukrom .....	112
late 4. 5: An Ongoing Classroom Block Renovation at Asikam .....	113
late 4. 6: Mechanized Borehole Provided at Adukrom.....	114
late 4. 7: Borehole Provided at Odumase-Asikam.....	115
late 4. 8: An Ongoing Construction of Chief's Palace at Adukrom.....	116
late 4. 9: A Market Constructed at Agyapomaa .....	117



**LIST OF FIGURES**

Figure 2. 1: Carroll's Pyramid Model of CSR ..... 41

Figure 2. 2: CSR Model for Small Scale Mining Companies..... 42

Figure 2. 3: The Intersecting Circles Model of CRS ..... 44

Figure 2. 4: Conceptual Framework for Analysing CSR and Sustainability of Mining Companies  
..... 63



## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background to the Study

The mining industry is largely seen as one of the oldest industries in the world. The history of mining is traced to the history of human existence (World Gold Council, 2011). Mining is an economic activity that includes the extraction of potentially useful and non-renewable mineral resources from the earth or sea without involving agriculture, forestry or fisheries (World Gold Council, 2011). The mining sector continues to be the backbone of many countries, especially those from developing and emerging economies (World Gold Council, 2011). Among the various minerals mined globally, gold mining stands extremely tall. For instance in 2012, 4,453 tonnes of gold were mined worldwide, according to PricewaterhouseCoopers (2013). China, Australia, The United States of America, Russia, Peru and South Africa are the top six producers of gold in the world (PricewaterhouseCoopers, 2013). In 2012, these six countries combined produced 76% of the entire gold produced globally. Nearly two thirds of new gold supply each year comes from mining with the remaining one third coming from the recycling of gold (PricewaterhouseCoopers, 2013).



Gold production has accrued benefits to both developed and developing countries that has a significant deposit of the precious metal, even though developing countries rely more on the output of gold production. The World Gold Council (2012) reports that in 2012, China derived the greatest direct economic benefits from gold production which stood at US\$12.6 billion, even though this stood at only 0.2% of China's huge gross domestic products (GDP). Whereas in developing

countries such as Papua New Guinea and Tanzania, gold production made up of 15% and 6% of their GDP in the same period, according to the World Gold Council (2012).

In Ghana gold production and export has been a major component of the country's economy since independence. Ghana currently is second only to South Africa in gold production in Africa and stands at the 10<sup>th</sup> position as the World's highest producer and exporter of gold (Boon & Ababio, 2009; KPMG, 2014). Ghana in 2012 produced 96 tonnes of gold representing 3.3% of the worldwide production (World Gold Council, 2012). Gold production also accounted for 8% of Ghana's GDP in 2012 according to the World Gold Council (2012). The sector also accounted for 11% of Ghana's gross domestic product (GDP) in 2013 (Ghana Statistical Service, 2014). In 2011, Ghana's precious mineral sector accounted for 14 percent of total tax revenues as well as 44 percent of exports (Gajigo, *et al.*, 2012).

In Ghana, it is unknown exactly when gold mining began, however, it is certain that the local inhabitants were accustomed to winning gold prior to the arrival of the Portuguese in 1471. At that time, nearly all the gold appeared to have been obtained from streams and rivers in the rain forest and in coastal sands, where it had been washed down from the interior by rivers and rains (Jocking, 2005). Gold mining by the indigenous people of Gold Coast and other places of the world were done through small scale mining (hereafter SSM), through the use of rudimentary tools (Gbireh *et al.*, (2007). Gbireh *et al.*, (2007) posit that small scale gold mining has been operational in Ghana since gold was first discovered and mined. SSM continue to be a popular form of gold mining across developing countries, employing more people than large scale mining (World Bank, 2013). Currently SSM is being practiced, in approximately 80 countries globally (World Bank,



2013). SSM has expanded rapidly in many developing nations driven by increasing population pressure and limited alternative income sources in rural areas (Lahiri-Dutt, 2004). Due to the emergence of advanced technology, miners are currently adopting modern technology to make their operations more efficient and effective (Hilson, 2003). SSM is estimated to produce around 330 tonnes of gold each year and around 12% of global gold supply (Hruschka & Echavarría, 2011).

Although SSM remains the oldest mining method in the world, estimation of the number of people engaged in the SSM activities globally widely varies. In 2003 the International Labour Organisation placed the figure at 13 million, this increased outrageously to 50 million in 2012 according to Zolnikov (2012). The number of small-scale miners in Ghana has also increased incredibly over the last three decades, with some estimates suggesting that 200,000 people were engaged in SSM in the 1990s (Hilson & Potter, 2003), which shot up to 500,000 in the mid-2000s (Tschakert 2009; Nyame & Grant, 2014), and currently stands above 1,000,000 people (Hilson & Barforth, 2013). There are sharp variance estimations as to the actual number of miners involved in SSM in Ghana due to scarcity of data on illegal small scale miners, which make up the majority (70-80%) of those engaged in the activity (Hilson & Yakovleva, 2007; Tschakert, 2009).

SSM was unregulated and was largely seen as illegal in Ghana until in 1989 when the sector was regularized with the introduction of the Small Scale Gold Mining Law which gave small scale miners the chance to purchase a license for small scale mining activities (Hilson, 2001). Ghana was the pacesetter in regularizing the SSM sector in Sub-Saharan Africa (Hilson *et al.*, 2014). By





the mid-1990s, 36 African countries had followed Ghana's footprint in legalizing SSM (Hilson *et al.*, 2014).

Since the emergence of the SSM law in 1989, Ghana has seen increase in the number of individuals and groups engaging in SSM activities, even though the actual number still remain elusive.

Ghanaian gold production from SSM activities has risen tenfold and doubled since 1998, accounting for an estimated contribution of \$461.1 million to the national economy since 1989 (Yakubu, 2000).

There are currently 1255 registered small scale gold mining groups in Ghana according to the Mineral Commission (2014). In 2011, about 245,000 ounces of gold mined by the SSM sector were bought by and then sold through Precious Minerals and Marketing Company (PMMC) and Asap Vasa at the average annual 2011 price of U.S. \$1568 per ounce (GoldPrices, 2015). Thus nearly \$386 million were officially recorded to have been generated by SSM, not including those unknown, but estimated to be substantial revenue from sales through informal markets and non-additional means.



In 2012, SSM production increased by 43% to 357,493 ounces, which, at the 2012 average annual price of \$1669 per ounce, represented about \$597 million of SSM gold, a one year increase of more than 64% in market value of SSM production. PMMC's total purchases and exports of gold from small scale miners increased significantly in 2012 from 235,787 ounces in 2011 to 316,699 ounces in 2012. The 2012 performance was about 34% higher than the amount recorded in 2011. Asap Vasa's purchases and exports of gold from small-scale miners also appreciated immensely

from 10,173 ounces in 2011 to 40,794 ounces in 2012; a 301% appreciation (Ghana Chamber of Mines, 2014).

The Akyem Abuakwa traditional area is among the places noted for huge mineral deposits in Ghana even in the pre-colonial era (Addo- Fening, 1976). The Birim Valley in Akyem Abuakwa was well known for its richness in gold and there was ample evidence to show that inhabitants around the Birim River were involved in gold mining even before the arrival of the Europeans (Ward, 1966). The land was also fertile for crop production, therefore those within the banks of the river fished and mined gold whereas the rest of the people were also involved in crop farming and very few did hunting (Addo-Fening, 1976). During the peak of colonialism, the Europeans took control of mining, thereby restricting the inhabitants of the traditional area to farming, even though few individuals were engaged in gold panning and gold dust washing along the banks of the Birim River (Addo-Fenning, 1976).

After independence and move to modern democracy, the Akyem Abuakwa traditional area, just as all traditional areas in Ghana was divided into administrative districts in which East Akim Municipality with Kyebi as the district capital is one. The main occupation of inhabitants of the municipality is farming, with about 65% of the working population engaged in active crop farming (Ghana Statistical Service, 2014). However, the Municipality is heavily endowed with mineral deposits and has in recent times witnessed an unprecedented gold rush with the activities of small scale miners dominating the mining sector (Ghana Statistical Service, 2014).

Mining business is one of the most lucrative businesses all over the world, it being large scale mining company or small scale mining company. However, researches have shown that mining



companies are among the most socially and environmentally destructive firms in the world (Peck & Sinding, 2003). It is also affirmed that gold mining in particular has the highest level of negative social and economic impacts (Urkidi, 2010). Several researches have also concluded that small scale gold mining companies are much more socially and environmentally destructive as compared to large scale mining firms (Hilson, 2003; Lahiri-Dutt, 2004; Gocking, 2005; Gbireh *et al.*, 2007; Hruschka & Echavarría, 2011). Collins and Lawson (2014) posit that even though small scale mining companies are a very important source of economic activity and livelihood strategy in many developing countries they are associated with many negative social, environmental and health impacts and presents specific challenges in terms of sustainable development.

In order to ensure sustainable development, mining companies are urged to mitigate the negative impact of their activities by balancing profits with social, economic and environmental needs of the communities they operate (Soubbotina, 2004). Jenkins and Yekovleva (2006) claim that corporate social responsibility (hereafter CSR) is preached more in the mining industry than any other industry due to an ever increasing social and environmental negative impacts emanating from their activities. Kapelus (2002) argued that it is difficult to boldly say mining companies have good reputations in CSR. Likewise, Warhurst (2001) reiterated that majority of environmental disasters and human rights issues, which has called for more attention in CSR, happen in small scale mining companies. Mutti *et al.*, (2012) argue that there has been intense pressure on mining companies in recent times especially in developing countries from the communities they operate on the need to be corporate responsible towards the ecosystem.



Resultantly, various studies in recent times have shown that large scale mining companies have gradually integrated CSR policies in their operations and are adhering to corporate social responsibility needs of the communities in which they operate (Jenkins, 2004; Jamali *et al.*, 2010; Chan, 2014). In his study, Banerjee (2001) discovered that large scale mining companies operating in Southern African countries are good corporate citizens. Apart from the honouring of their tax obligations, they undertake also communal services such as road constructions, health and education support, among others.

## **.2 Problem Statement**

In Ghana just like in most developing countries, various studies on CSR in the mining sector have centered on large scale mining companies (Aryee, 2001; Boon & Ababio, 2009; Mensah, 2009; Boateng *et al.*, 2014; Owusu-Mensah, 2015). Aryee (2001) argues that, between 1986 and 1998, large-scale mining companies injected over US\$300 million into the national economy from salaries alone which is the companies' legal responsibility. This is beside loyalty payments and physical structures put up by these companies as part of their CSR commitments. Aryee (2010) also reports that in 2008 alone, US\$12 million were committed to philanthropic corporate social responsibility projects by large scale mining Companies in Ghana. Boateng *et al.*, (2014) in their study also discovered that large scale mining companies are very quick to honour their tax obligations. Their empirical evidence from Newmont Ghana revealed that the company paid 159 million US dollars as tax in 2011 alone and also paid 75.9 US dollars as royalty on every ounce of gold mined in the catchment areas. Brew *et al.*, (2015) in their study of CSR among multinational mining companies (MNC) in Ghana revealed that large mining companies in Ghana seem to have responded positively over the years to the CSR call. The authors posit that there was indeed the



existence of some health, education, community aid, and livelihood related CSR activities in the communities these companies operate. Owusu-Mensah, (2015) also claim apart from taxes and royalty payments, these large companies create jobs, put up health facilities, construct roads, drill boreholes and in some cases help residents whose homes have been affected by their activities to resettle.

Despite the ample research evidences that give credence to large scale mining companies in Ghana gradually becoming corporate socially responsible, little can be said about SSM companies. Indeed in the East Akim Municipality where the activities of SSM companies dominate, recent studies on SSM have all concentrated on the environmental effects of the activities of these miners (Owusu : Dwomoh, 2012; Mihaye, 2013). The attention of academicians and researchers are yet to be drawn to CSR among SSM companies in the Municipality, even though CSR has been projected to strongly aid in the achievement of the Sustainable Development Goals (SDG) set by the United Nations (Ebner & Baumgartner, 2006; World Business Council for Sustainable Development, 2016).

Until date, it appears no study has been conducted in the Municipality to empirically establish the existence of CSR policies in the organizational policies of these SSM companies, even though research has shown that SSM companies post more negative impact to host communities. Hence it is unknown what these mining companies do to mitigate the negative impacts of their activities on the mining communities and whether their CSR activities if any, are having any effect on the communities or not. So as to inform policy makers, donor communities and other stakeholders on the direction as to how the sector could be improved.



It is expected that the activities of these SSM companies will adversely affect the livelihood of some inhabitants of the communities in which they operate since majority of the natives are crop farmers and depend on the same land that the small scale miners use. However, information on the pattern of CSR activities of these mining companies are very scanty even if it exists at all. Hence policy makers and stakeholders are starved with information that has been empirically generated to help in decision making that will better regulate the small scale mining sector.

Researchers have also shown that by engaging in CSR activities, companies enhance their organizational performance which lead to their sustainability (Carroll, 1991; Dahlsrud, 2006; Walomwa, 2011; Vintilă, 2013; Okan, *et al.*, 2015). However, it seems no study has been done on SSM companies in the East Akim Municipality to establish whether their engagement in CSR activities enhance their organisational performance and their sustainability, in order to encourage other SSM companies to engage in CSR activities. These issues of serious concern necessitated the study to assess corporate social responsibility and sustainability of mining companies in East Akim Municipality in order to come out with findings that will fill these research gaps and promote growth and development in the mining sector.



### **1.3 General Research Question**

In order to successfully carry out the study, the study seeks to generally ask: How corporate socially responsible and sustainable are SSM companies operating in the East Akim Municipality?

#### ***1.3.1 Specific Research Questions***

Specifically, the study seeks answers to the following research questions:

1. What is the extent of CSR existence in the organizational policies of small scale mining companies in the East Akim Municipality?
2. What are the patterns of CSR practices of small scale mining companies in the East Akim Municipality?
3. How do CSR practices affect the organizational performance of small scale mining companies in East Akim Municipality?

. How do Small Scale Mining Companies' CSR practices affect the livelihood of residents in East kim Municipality?

#### **4 General Objective**

roadly, the study seeks to assess the extent of corporate social responsibility and sustainability adherence by Small Scale Mining Companies operating in East Akim Municipality.

#### **4.1 Specific Objectives**

he study seeks to achieve the following specific objectives;

. To assess the extent of CSR existence in the organizational policies of small scale mining companies in the East Akim Municipality.

. To analyze the patterns of CSR practices of small scale mining companies in the East Akim Municipality.

3. To ascertain how CSR practices affects the organisational performance of small scale mining companies in East Akim Municipality.
4. To examine the extent of small scale mining companies' CSR practices effects on livelihood of residents of East Akim Municipality.



### 1.5 Significance of the Study

This study is being conducted in a time when the activities of small scale miners are on the increase and with the negative socio-environmental consequences associated with their activities drawing international attention. The study will therefore be beneficial to the Government of Ghana, the Mineral Commission and other regulatory bodies in the mining sector. The outcome of the study will bring to bear the CSR practices of small scale mining companies operating in the East Akim Municipality. This will inform the various regulatory bodies on whether small scale mining companies are adhering to their mandatory or legal responsibilities or otherwise, thereby giving regulatory bodies enough information on the need to strictly enforce regulation of the small scale mining sector or otherwise.

The study will also be beneficial to Non-Governmental Organisations (NGOs), Civil Society organisations (CSOs) and donor communities interested in fighting poverty, social injustice and protecting the environment. The findings from the study will bring to the attention of these groups the livelihood challenges community members face as a result of activities of small scale mining companies. This will help these NGOs, CSOs and donor communities to know the needs of the affected communities so as to channel their support in that direction.

The study will also be helpful to residents of mining communities. Information from the study will help residents to demand for accountability from mining companies and pressure them to be more socially responsible. This will help ensure sustainable development of mining communities.





Mining companies, it being large or small will also benefit from this study. The findings from the study will help mining companies to be corporate socially responsible. The study will methodologically direct mining companies to know what communities expects from them and what and how they as companies stand to benefit if they inculcate CSR into their organizational policies. This will help ensure that companies have the social license to operate, thereby leading to sustainability of mining companies.

astly, the study will also add to existing literature in the fields of mining, development management and corporate governance. It will also serve as a reference material for further research in CSR in other sectors of the extractive industry, thereby broadening the knowledge of students and practitioners in corporate governance.

### **.6 Scope of the Study**

The study was conducted in the East Akim Municipality of the Eastern Region only. The study was centered on registered small scale gold mining companies operating in communities within the Municipality only. Data on the existence of CSR in the organizational policies of small scale mining companies, the patterns of CSR practices of small scale mining companies, the effects of CSR practices on the organisational performance of small scale mining companies and the effects of CSR practices on the livelihood of residents of the Municipality was gathered from employees and managers of registered small scale mining companies operating in the Municipality and residents of the selected communities in the Municipality within a period of two months.



### **1.7 Organisation of the Study**

The study was organized into five chapters. Chapter One included the background of the study, statement of the problem, research questions, expected results, research objectives, justification of the study, scope of the study, limitation and organisation of the study. Chapter Two focused on literature review. These included conceptual framework, theoretical and empirical related literature on the subject matter. Chapter Three centered on the methodology employed to carry out the study, the method of data analysis and the profile of East Akim Municipality, the study area. Chapter Four presented the analysis and discussion of the findings of the study while Chapter Five focused on the summary of findings, conclusion and recommendations.



## CHAPTER TWO

### REVIEW OF RELATED LITERATURE

#### 2.1 Introduction

This chapter of the study presents review of related works that have been done on the subject matter by other authors and scholars. Both empirical and theoretical literature are discussed in this chapter. The chapter begins with discussion on definitions of relevant concepts including Corporate Social Responsibility (CSR), Sustainable Development and small scale mining (SSM). The trend of SSM operations in developing countries, characteristics of SSM operations in Ghana and mineral laws of Ghana are discussed in the chapter.

The chapter also examines works on historical overview of CSR, perspectives of CSR and some models of CSR practices. Works on the evolution of sustainable development, dimensions of sustainable development, CSR and sustainable development, pattern of CSR practices in the mining sector, drivers of CSR in the mining sector, CSR and companies' performance and argument against CSR are reviewed. The chapter ends with analysis of theoretical frameworks on the subject matter including Triple Bottom Line Theory and Stakeholders Theory. The conceptual framework underpinning the focus of the study is also presented in this chapter.

#### 2.2 Definition of Relevant Concepts

##### 2.2.1 Corporate Social Responsibility (CSR)

CSR is a very controversial concept whose definition has attracted the attention of business practitioners and academicians in the past sixty years (Moon, 2007). CSR is among the most debated concepts in modern times due to its multi-disciplinary nature (Crane *et al.*, 2008). CSR



cuts across a number of disciplines ranging from business ethics, through to development management, environmental governance, and business management to political science. Hence it comes as no surprise that a universally accepted definition of the concept has remained elusive over the years (Dahlsrud, 2006). The contested nature of the definition of CSR means that various scholars, organisations and practitioners define the concept differently based on the locus and purpose of the individual's study or that of the organization's operation (Rodriguez *et al.*, 2006).

chwartz and Carroll (2003) claim definitions of CSR fall into two general schools of thought, those that argue that business is obligated only to maximize profits within the boundaries of the law and minimal ethical constraints (Friedman, 1970), and those that have argued for a broader range of obligations toward society (McGuire, 1963; Davis & Blomstrom, 1975; Carroll, 1979; Epstein, 1987). Katiinli *et al.*, (2011), posits that the idea of CSR has been in existence since businesses started on earth, however its first conceptualized definition was given by Bowen (1953). Bowen defined CSR as businesses obligation to follow those policies, to take decisions or to pursue line of actions which fall in line with business objectives and have societal values. The author argued that businesses must be responsible to the society beyond the comfort of their profits. Bowen's definition served as a pacesetter for other authors. Davis (1960) defined CSR as decisions and actions taken by firms at least in a way beyond the firms' direct or technical interest. During the 1950s to 1960s, scholars and authors defined CSR as more of benefits society or community gain from firms without necessarily thinking of the benefits firms also gain as a result of their CSR activities (Bowen, 1953; Davis, 1960). CSR in this era was more of companies' charitable activities to the communities in which they operate.



Carroll (1979) significantly enhanced the earlier views of CSR and made it more holistic with the introduction of his four way model of companies' CSR activities. The author defined CSR as a company's commitment to operate in an economically and environmentally friendly way by being sensitive to economic, legal, ethical and philanthropic duties to the society. Carroll (1983) gives a much broader perspective of the concept by defining it as *the conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive*. The author further argues that for a company to be socially responsible, it connotes profitability and obedience to the law are foremost conditions when discussing the firm's ethics and the extent to which it supports the society in which it exists with contributions of resources to societal welfare.

The coinage of the stakeholders' theory by Freeman in 1984 and the World Commission on Environment and Development (WCED) meeting on sustainable development also known as the Brundtland Report in 1987 significantly contributed to wider views of CSR definition by latter authors and practitioners. Carroll (1991) refined his earlier model of CSR by placing them in a pyramid form. Carroll (1991) introduced stakeholders in his definition of CSR for the first time. The author refers to CSR as businesses integration of economic, legal, ethical and philanthropic issues in their operations towards the fulfillment of stakeholders' interests. Here stakeholders refers to every element within the business environment who has direct or at least minimal interest in the survival of the business entity and these include shareholders, managers, employees, competitors, suppliers, regulators and the community members also known as the publics (Carroll, 1991; Waddock, 2004). From the view of The European Commission (2001), a socially responsible firm must not only satisfy legal expectations, but must go beyond compliance and investing extra resources into human capital, the environment and the relationship with



stakeholders. Gutierrez and Jones (2007) posits the idea of CSR which was previously linked to corporate philanthropy, now includes everything from charitable contributions and social investment to the direct integration of the vulnerable populations into a corporation's regular business practice.

Although latter definitions of CSR from the late 1990s followed similar direction as those in the 1970s to 1980s, almost all of these definitions have element of sustainability or sustainable development embedded within. For instance, Gillis and Spring (2001) define CSR as business decision making based on ethical values; compliance with legal standards; and respect for communities, citizens, and the environment driven towards sustainable development. Kok *et al.*, (2001) define CSR as the obligation of the firm to use its resources in ways to benefit society, through committed participation as a member of society, taking into account the society at large, and improving welfare of the society independent of direct gains of the company. In a likewise manner, Forstater *et al.*, (2002) define CSR as a company's actions that contribute to sustainable development through the company's core business activities, social investment and public policy debate. Carroll and Buchholtz (2003) contend that CSR is the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time with the idea of ensuring business and community sustainability. Robbins and Coulter (2013) clarified that CSR activities of firms go beyond profit making motive to include protecting and improving social welfare of its stakeholders and the environment in which the firm carries out its operations. According to Dashrud (2006) CSR can be agreed to be the obligations companies have towards their stakeholders in the areas of human rights, labour and the environment. Almost all definitions of CSR in recent time has shifted from the mainly philanthropic expectations of the



society to human relations, capacity building and environmental protection by firms (Gillis & Spring, 2001; Forstater *et al.*, 2002; Robbins & Coulter, 2007). These in a sense has widened the scope of CSR definition to include all positive activities of an organization towards its stakeholders. Fontaine (2013) for instance used CSR interchangeably with corporate conscience, corporate citizenship, social performance and sustainable responsible business and defined it as a form of corporate self-regulation integrated into a business model. According to Yadav and hawana (2016) CSR is regarded as a way by which companies are integrating the community's social, environmental and economic concerns in their cultural values to improve the companies' welfare as well as the community's.

The changing meaning in CSR definitions and practices in recent time is not limited to academic scholars and practitioners but to organisations also, according to latest analysis by Secchi (2007) and Lee (2008). For instance, the Certified General Accountants' Association of Canada (2005) defines CSR as 'a firm's move to operating in an economically, socially, and environmentally sustainable way, while acknowledging the interests of its stakeholders. The World Business Council for Sustainable Development (2006) also defines CSR as *the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as that of the local community and society at large.*



Contrary to the definitions of most authors, Friedman (2006) sees CSR to have taken place when a business uses its resources and engages in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without

deception or fraud. Thus any company that makes profit for its stockholders and complies with mandatory regulations is corporate socially responsible without necessarily taking other stakeholders interest into consideration. Friedman believes CSR is limited to mandatory requirements only.

For the purpose of this study, CSR is defined as a companies' acts of incorporating the interest of all stakeholders into their business policies by taking responsibility for the impact of the business' activities on the society. Society is also defined as all elements within the business environment who have direct or indirect interest of the survival of the business entity and these elements include stockholders, employees, regulators and the residents of the communities in which the business is being operated.

## ***2.2 Sustainable Mining***

Sustainable development is a concept which has multiple definitions and approaches due to a variety of scopes and characteristic of different protection programs and types of communities and institutions (Heinen, 1994). A similar concern on the ambiguity of sustainable development definition and understanding was raised by Radermacher (1999). The World Bank (1992) described sustainable development as *development that continues*. This is a very vague definition, however various detailed definitions have been suggested by various authors and institutions. For instance, the Rio de Janeiro declaration on Environment and Development (1992) termed sustainable development as *long term continuous development of the society aimed at satisfaction of humanity's need at present and in the future through prudent usage and replenishment of natural resources, preserving the Earth for future generations*.





Ciegis and Zeleniute (2008) contend the concept of sustainable development is defined differently in different fields of study. The authors argue the concept is defined as development that safeguards that, the per capita income of future generations is not lower than that of the present generation in economics. In sociology the authors disclosed it is defined as development that preserves the community, in other words it maintains close social relationships in communities and in ecology the concept is seen as development that preserves the diversity of biological species, essential ecosystems, and ecological processes.

From the perspective of the mining industry, Jenkins and Yakovleva (2006) referred to sustainable development as a concept based on a balanced between economic development, environmental reservation, and social integrity dimensions. Ciegis *et al.*, (2009) posit that sustainable development is a holistic concept which involves three main components namely environmental, economic, and social developments which must be integrated by business entities or organisations in order to achieve present and future generations' wellbeing.

Sustainability is derived from the concept of sustainable development. Doane and MacGillivray (2001) defines business sustainability as the capability of a company to last in time, both in terms of profitability, productivity and financial performance, as well as in terms of managing environmental and social assets that comprise the capital of the organisation. On their part, Dyllick and Hockerts (2002) define business sustainability as “meeting the needs of a firm’s direct and indirect stakeholders without compromising its ability to meet the needs of future stakeholders as well. For the purpose of this study, sustainability refers to the capability of small scale mining companies to last in a time as a result of meeting the interest of all stakeholders.



### 2.2.3 Small Scale Mining

Mining companies generally refer to companies that are involved in the activity and occupation of mineral extraction from the earth's surface, it could be solid mineral thus gold, diamond, zinc, or liquid mineral thus oil (Mine, 2011). However, for the purpose of this study, mining companies refers to small scale gold mining companies.

Small scale mining (hereafter SSM) is a concept that have not had a generally accepted definition despite its controversy and attraction of academic and political debate across the globe especially in developing countries (World Bank, 1995; Hentschel *et al.*, 2003). The concept is mostly defined differently in different geographical areas across the world by academicians, organisations and policy makers and are mostly mentioned interchangeably with artisanal mining without any definitional distinctions (Quiroga, 2002; Aubynn, 2009; Mallo, 2012; Ombeni, 2015). In some jurisdictions a distinction is made between 'artisanal mining' that is purely manual and on a very small scale, and 'small-scale mining' that has some mechanization and is on a larger scale (World Bank, 2013; Tolonen, 2014; Wilson *et al.*, 2015).

The criteria for identifying SSM are usually tied to the legislative system of most countries such as a criterion includes volume of production, volume of output, the amount of capital invested, the size of the workforce, the size of a claim, the depth of the mine, and or the level of sophistication of the mining equipment used (Andrew, 2003). For instance, in Ethiopia the locus of SSM definition relates to the depth of working and ban on use of explosives (Hinton, 2006).



In some West African countries (for example, Mali and Senegal), small-scale mining is differentiated from artisanal mining by the presence of permanent, fixed installations that are established once an ore body is confirmed and it is also recognized in accordance with the depth of working and the production methods applied (Chuhan-Pole *et al.*, 2015).

According to Aryee *et al.*, (2003) SSM in Ghana's law is defined as gold mining by any method not involving substantial expenditure by an individual or group of persons not exceeding nine in number or by a co-operative society made up of ten or more persons and as such includes both 'artisanal' (mining using more rudimentary implements) and 'small-scale mining' (more sophisticated mining activities operating at a relatively low level of production. This definition does not distinguish between illegal and registered or legal small scale miners. Nyame *et al.*, (2009) posit there are two types of SSMs operating in Ghana thus, those licensed to operate on a demarcated plot of land (legal small-scale miners) who are subject to conditions by the Environmental Protection Agency (EPA) and the Minerals Commission; and those operating without a license (illegal small-scale miners). Both Hinton (2006) and Veiga *et al.*, (2006) claim SSM is a representation of spectrum of mining activities ranging from individuals panning for gold or precious stones along riverbanks, to relatively large and organised operations.



The World Bank (1995) refers to SSM as miners who use manual labour, low technology and less sophisticated equipment in mineral extraction. In this definition, the authors summed both artisanal mining and SSM together without any distinction and the focus of the definition was on the level of technology employed in the extraction. D' Souza (2005) defined SSM as a group of miners who employ some level of mechanisation or technology in their operation, have a legal

license to operate on a concession and are organized in some form of mining association. This definition was also reiterated by Quiroga (2002). However, Quiroga made a distinction between SSM and Artisanal Miners. He referred to Artisanal Miners as unlicensed miners who employs crude method of gold extraction mostly on concessions that belongs to larger scale mining companies. Rogers (2005) views SSM as a mechanized mining, operated with a level of planning and knowledge concerning mining practices and has a tendency of being formalized. The definition by Rogers does not consider the immediate legality of SSM operation but the level of technology and the expertise of the miners.

The Organisation for Economic Cooperation and Development (OECD, 2012) refers to SSM as a formal or informal operations with predominantly simplified forms of exploration, extraction, processing and transportation, with mostly low capital intensive and uses high labour intensive technology. SSM can include men and women working on an individual basis as well as those working in family groups, in partnership or as members of cooperatives or other types of legal associations and enterprises involving hundreds or thousands of miners. OECD's definition of SSM is very elaborative and encompasses the technology employed, capital structure of industry layers, caliber and number of people involved and the legality of their operations.



For the purpose of this study, SSM companies refers to all legally registered gold mining companies with licensed to operate on a 25 acre concession at a time issued by the Ghana Mineral Commission and recognized by the district assembly, who may or may not be part of any miners' association.

### 2.3 Historical Antecedence of SSM in Ghana

Small scale mining of gold has existed in Ghana and for that matter Africa way before the coming of the Europeans in the then Gold Coast (Anin, 1990). Anin (1990) gives an account of gold been traded with the Moors and the Phoenicians on the trans-Saharan trade routes before the emergence of the Portuguese and other Europeans in 1471. Artisanal mining and processing methods were employed to work both hard rock/stratum and alluvial gold deposits. Stratum gold was mined by excavating pits to levels where a dark coloured stone which is interspersed with gold was reached.

The gold was then recovered by pounding the stone to powder and then washing it (Anin, 1990). Alluvial gold was mined by collecting gravel from the beds of streams and washing sediments free of sand and earth. The Chief whose land was mined for gold was generally entitled to one-third of the gold won, and therefore sought to promote proper organization of the activity (Anin, 1990). Furthermore, in view of the magnificent use of gold in the attire as well as customary practices of the traditional chieftaincy institution, close watch was kept over small scale gold mines operating within their lands; control and regulation (by Chiefs) of such operations has existed for over two centuries (Mineral Commission, 1987).

As a result, SSM continued in Ghana even after the introduction of modern exploration and mining methods to the country by the Frenchman, Piere Bonnat and others circa 1870. Enterprising natives, who had neither the capital nor technical ability to venture into large-scale modern mining, were also compelled to operate at the small scale level. Indeed almost all concessions being operated by large scale mining firms were discovered by small scale miners (Mineral Commission, 2001).



After the coming into force of large scale mining, various legislations were enacted which limited SSM activities from 1905 onwards and eventually made it illegal for anyone to engage in SSM. This in turn led to the domination of gold mining in Ghana by English owned large-scale mining companies, and nearly a complete eradication of the small-scale mining sector. In fact, prior to 1989, artisanal activities, together with the marketing of gold from such workings, were considered legal (Nyame, *et al.*, 2014).

However, artisanal gold miners (*galamsey*) thrived, and the gold were predominantly smuggled for sale outside the country through a well-oriented black market (Mineral Commission, 1987). These miners were causing havoc to the ecosystem and the mining communities without economically contributing much to the macro economy of the country due to the illegality of their operations (Aryee *et al.*, 2003). Outputs were rather enriching neighbouring countries, which were found to be exporting gold despite lacking significant gold deposits (Hutchful, 2002).

The increasing awareness of the fact that the continued marginalisation of the small-scale gold mining sector was detrimental to the economy led to a study into the phenomenon, which resulted in its regularization through the enactment of the *Small-Scale Gold Mining Law*, PNDCL 218, in May 1989. This also resulted in changing and tasking the Diamond Marketing Commission which was a state agency responsible for marketing diamonds into the Precious Minerals Marketing Corporation with an expanded mandate to see to sales of gold from small scale miners as well (Ghana Chamber of Mines, 2013).



### 2.3.1 Characteristics of SSM Operation

The World Bank (2008) reports that SSM is practiced in about 50 developing countries in the world with majority of the participants being people from the most deprived communities with less livelihood opportunities. The sector gives livelihood opportunity to more than 100 million people globally and most of these people are women, deprived children and the youth mostly found in developing and emerging countries (International Labour Organisation, 2010). The range of commodities exploited by small scale miners is diverse, however gold remains the most popular mineral extracted through SSM activities (Wagner *et al.*, 2007).

Aryee *et al.*, (2003) classified SSM methods of gold extraction in Ghana into three, namely shallow alluvial mining, deep alluvial mining and hard rock or lode mining. Shallow alluvial mining is done in valleys or low-lying areas mostly close to water bodies or even within water bodies by itinerant miners. The mineralized material is removed and transported to nearby streams for sluicing to recover the gold (Hilson & Pardie, 2006). This is one of the predominant types of SSM in the East Akim Municipality due to the high deposit of gold in the Birim River and its tributaries (Addo-Fenning, 1976).



Deep alluvial mining takes place along the banks of major rivers where there exist gold deposits. This method involves excavating a pit and digging until the gold bearing gravel horizon, which is typically located at depths of 7 to 12 metres. Terraces or benches are constructed along the sides of pits to prevent collapse, this type of SSM is also very common in the East Akim Municipality (Aryee *et al.*, 2003). Aryee *et al.*, (2003); Hilson and Pardie (2006) argue that the traditional method of processing alluvial gold is the same, thus it involves sluicing of mined material in a

sluice box to obtain gold concentrate, to which mercury is added and mixed to form a gold amalgam, which is then heated to separate the gold. Hilson and Pardie (2006) contend the gold recovery rate for alluvial ores is between 30 to 60 percent thus approximately between 40 to 70 percent of gold is retained in the soil. This demonstrates the level of inefficiency in alluvial mining which could be as a result of mainly crude means of gold processing.

The third type of SSM method of mining is the hard rock (lode) mining, here miners mined gold bearing reefs, which can be located close to the surface or deep-seated. Holes are sunk to intercept the reefs and in cases where ore is hard, explosives are commonly used (Aryee *et al.*, 2003). This type of mining is not common in the East Akim Municipality.

The share of mineral production by SSM differs considerably between different raw materials as well as at certain times as miners are often the so called *swing-producers* in times of low market prices the sector tends to lower production, sometimes with the miners turning to other sources of income such as agriculture if available Mwaipopo *et al.*, (2004). Collins and Lawson (2014) contend the redistribution of income from SSM reveals that only the smallest part of the extracted wealth eventually reaches the miners, due to inefficiency of transport, illegal taxation as well as long trading chains. This is also as a result of most SSMs operating illegally even though they might have some aspect of license to operate in some cases. Although SSM is dealt with in most mining regulations across jurisdictions, the actual effectiveness of the monitoring and regulation of the sector by the national mining authorities is mostly very low (Hentschel *et al.*, 2003). The process of extraction in SSM is usually carried out unchecked, ignoring fundamental labour standards including the elimination of forced and child labour, workplace safety and equal





treatment. Regulations on the environment and social laws are mostly disregarded leading to general poor working conditions (Urkidi, 2010).

### **2.3.2 Laws Governing SSM Operation in Ghana**

All minerals in any part of Ghana belong to the people of Ghana and under the protection of the Government of Ghana on behalf of the populace (Mineral Commission, 2015). Prospective miners have to apply to and approved by the government through the sector minister and the agencies before they could lawfully engage in SSM (Aryee *et al.*, 2003). The Government of Ghana has set out regulations for SSM in the Minerals and Mining Law of 1986 (PNDCL 153), as amended by the Minerals and Mining (Amendment) Act of 1994 (Act 475) and the minerals and mining bill of 2005 (Law No. 703) and now the Minerals and Mining Act, 2006 (Act 703). Per the dictates of the mineral laws of Ghana, the SSM sector is a preserve for the citizens of Ghana only, hence only Ghanaians of 18 years and above could apply for a SSM license (Aryee *et al.*, 2003; Mineral Commission, 2005). However, the law does not bar Ghanaians holding mineral licenses to enter into agreement with foreign partners to provide, capital, expertise, equipment, etc., for the project (Wilson *et al.*, 2014).



The license gives a maximum allocation of three acres in the case of a grant to any person or a group of persons not exceeding four in number. A maximum allocation of five acres of land in the case of a grant to any group of persons not exceeding nine in number and a maximum allocation of 25 acres in the case of a grant to a co-operative society of 10 or more persons and registered companies. The duration for the license is five years for registered companies and cooperatives and three years for individuals after which time the license may be renewed (Aryee *et al.*, 2003).

Section 85 (2) of the law gives the sector Minister through a legislative instrument the power to prescribe the fees licensees must pay in consultation with the Mineral Commission. The sector Minister through section 87 of the law can revoke a license granted, where the minister is satisfied that the licensee has contravened or failed to comply with a term or condition of the license or a requirement applicable to the licensee. License granted to a registered company, a cooperative society or an individual can be transferred to a third party who must also be a citizen of Ghana.

The law also obligates licensees to employ an effective and efficient method and must observe good mining practices, health and safety rules and pay due regard to the protection of the environment during mining operations (Section 93). Section 94 of the mining law places responsibility on licensees to compensate landowners for the use of their land and destruction of crops unless the land belongs to the licensee. The amount to be compensated shall be determined by the Government agency with responsibility for valuation of public lands through a consultation with the Sector Minister and the Minerals Commission.

Section 95 of the mining law prohibits small scale miners from using explosives in their operations, except when there is a prior written permission from the sector minister in consultation with the Mineral Commission. Small scale miners are also allowed to purchase reasonable amount of mercury from authorized dealers to be used in their operations (Section 96).



### ***2.3.3 Impact of Small Scale Mining Operation on Stakeholders***

The activities of SSM has both positive and negative implications on residents of mining communities and the country as a whole (Amankwaha & Anim-Sackey, 2003; Jenkins &

Yakovleva, 2006; Mzembe, 2012; Frederiksen, 2016). A study by Ulrike *et al.*, (2012) revealed that SSM alleviate poverty in mining communities by giving employment opportunity to young people in mining communities. Hentschel *et al.*, (2002) suggested more than 100 million people earn their livelihood through SSM activities worldwide especially in remote villages of developing countries. A recent study by Ombeni (2015) in Tanzania shows mining communities are opened to micro-economic growth, socio-cultural development as a result of SSM companies. Social infrastructure including schools, rural electrification, construction of feeder roads, provision of classroom blocks and youth skills development centers are mostly initiated by mining companies in their operating communities (McQuilken, 2013; Nyame & Grant, 2014).

Despite the numerous positive impact of SSM activities, Zolnikov (2012) reports SSM operation as the most socio-environmentally destructive economic activity in recent years. Recent study by Crawford and Botchwey (2016) revealed the recent mechanization and the intensification of gold production by SSM firms has led to very high environmental degradation in areas of alluvial mining, inclusive of both land and water bodies. The authors contend, many abandoned pits are left uncovered and become flooded, posing danger to local residents, especially children, and to livestock. Crawford and Botchwey (2016) claim the activities of SSM firms improve the living conditions of the very few people who are directly employed, leaving many jobless as a result of massive destruction of farm land and water bodies used for fishing. Boateng *et al.*, (2014) revealed cocoa farmers are more affected by the activities of small scale miners. The authors report that farms closer to mining sites experience cocoa pods dropping immaturely from the trees, wilting and yellowing of leaves and low yield.



Wilson *et al.*, (2015) revealed social stability in most mining communities are being threatened due to land access and use conflicts between landowners and small scale miners and between small scale miners and large scale mining companies. Stirton (2010) reports the use of mercury and its release into the air and water bodies by small scale miners post health risk to residents and miners. According to Persaud and Telmer (2015) it is very common to record high cases of nervous system, lungs and kidney related health cases in mining communities as a result of mercury exposure. From the literature, it can be said that the activities of small scale mining firms are double edged-swords, they have both positive and negative impact on stakeholders. However, the position of this study shows that, the integration of various stakeholders' interest in the operations of mining firms will bring a balance thereby leading to sustainability.

#### **4 Historical Overview of CSR**

The coming into existence of CSR is as old as the existence of trade and businesses (Maon *et al.*, 2010). CSR started during the industrial era when businesses were very rich and powerful (Asaad, 2010). Business owners were encouraged to help the poor and vulnerable in the society as a result of giving helping hand to state governments (Corporate Watch Report, 2006). Businesses also started giving health insurance and other motivational packages to employees and in some cases their families. A notable example is the Cadbury chocolate makers in the United Kingdom (UK) that prospered in 1879 to a green field site which came to be called Bournville Village for the benefit of its workers (Elkington, 2004). The Cadbury family introduced social responsibility practices including work committees, a medical department, pension funds and education and training for employees. In the 1900s they built a successful business in a successful community



(Elkington, 2004). However, modern CSR came to being when Bowen (1953) coined the term with the publication of his book *Social Responsibility of Businessmen*.

CSR started gathering momentum in the 1960s. During this period the idea that underpinned CSR was to connect businesses with the society (Pohle & Hittner, 2008). The focus of CSR in the 1960s was for businesses to use their profits in a way that alluded to social good according to the Social Investment Forum (2006). The main contention was for businesses to employ appropriate means of production in such a way that production and distribution could enhance total socio-economic welfare (Davis, 1960). Therefore CSR in the 1960s was more or less focused on discretionary or philanthropic activities (Wood, 1991).

During the 1970s CSR was seen as the obedience to business principles. The fundamental principle was to broaden the level of CSR significance from a complete economic perspective (Wood, 1991). In this respect, firms maintained the usage of business resources without flouting business ethics. The principle led to maximizing stockholders' value without deception or fraud to any party in the business value chain (Davis, 1973). During this era CSR advocated for businesses to operate within the regulatory framework of their businesses (Pinkston & Carroll, 1996).

In the 1980s and 90s the scope of CSR practices was widened to include new ideas such as stakeholder theory, Corporate Governance, Corporate Social Performance, Corporate Citizenship, Corporate Social Innovation and Communication of CSR practices through CSR reporting (Carroll & Shabana, 2010). Lee (1997) explained that CSR at this time made use of the stakeholders' theory hence all CSR activities were directed towards safeguarding the interest of all sectors that are



affected by or can affect the business' operations. During this era companies rolling out CSR activities were much mindful of economic value to the company, legal compliance of rules including environmental and human right issues, ethical issues and philanthropic issues (Carroll, 1991).

In the 21st century CSR issues generally centered on establishing connections among economic, legal, social and ethical principles in order to bring sustainable development (Porter & Kramer, 2006; Ahmed, 2012). World Business Council for Sustainable Development (WBCD, 2001) clarified that CSR is the commitment of business to contribute towards sustainable economic development, working with employees, their families and the local communities. Uhlaner *et al* (2004) discussed the economic, legal, ethical and philanthropic aspects in regards to CSR. Juholin (2004) made a distinction between CSR as simple legal compliance and CSR as conducting business with a high regard for morality.

CSR in the 21<sup>st</sup> century seek to ensure that businesses make enough profit to continue their operation in the foreseeable future, businesses are ethically responsive by employing productive resources that are environmentally friendly and helping to build capacity of the society so as to reduce cyclical poverty and its associated consequences (Corporate Watch Report, 2006). In the 21<sup>st</sup> century, companies have been given much task in ensuring safe socio-economic and cultural environment for the future generation through CSR practices (WBCD, 2001).

#### **2.4.1 Perspectives of CSR**

Since the emergence of CSR concept, the locus of the concept has been viewed differently by various researchers and practitioners (Dahlsrud, 2006; Montiel & Delgado-Ceballos, 2014). There



are about four different school of thoughts on CSR (Brown & Dacin, 1997; Sen & Bhattacharya, 2001). The first school of thought was launched by Bowen (1953) and this perspective see CSR as a social obligation. This school of thought has been reiterated by latter researchers and contemporary marketers (e.g., Carroll, 1979; Brown & Dacin, 1997; Sen & Bhattacharya, 2001). In line with the social obligation perspective of CSR, Carroll (1979) emphasized that a company has the economic obligation to be productive and economically viable (economic obligation); obey regulations and observe customs, conventions and values of the local community (legal and ethical obligations); and proactively give back to the society (philanthropic obligations). The social obligation perspective places a mandatory duty on organisations to respond to both legal and non-legal duties.

Another school of thought on CSR emerged beginning from the mid-1990s, this perspective see CSR as a stakeholder obligation (Clarkson, 1995). A number of scholars have contended that the notion of social obligation is too broad to facilitate the effective management of CSR (e.g., Clarkson, 1995; Jones, 1995). In particular, as stated by Clarkson (1995), *society is at a level of analysis that is both more inclusive, more ambiguous and further the ladder of abstraction than a corporation itself*. The proponent of this school of thought argue that businesses are not responsible

toward society as a whole but only toward those who directly or indirectly affect or are affected by the company's activities. These different actors are called stakeholders and can be regrouped in

four main categories (Henriques & Sadosky, 1999): (1) organizational (e.g., employees, customers, stockholders, suppliers), (2) community (e.g., local residents, special interest groups), (3) regulatory (e.g., municipalities, regulatory systems), and (3) media stakeholders. CSR describes a company's commitment to be accountable to these stakeholders (both internal and



external). CSR demands that businesses manage the economic, social and environmental impacts of their operations to maximize the benefits to stakeholders and minimize the downsides (Donaldson & Preston, 1995; Jones, 1995; Wood & Jones, 1995). This current study leans towards the stakeholder obligation perspective since the stakeholders feel the impact of the mining activities the most.

The schools of thoughts on CSR as either a social or a stakeholder obligation imply that CSR practices are induced by self-interest, thus enabling businesses to gain legitimacy among their constituents (Swanson, 1995). Swanson (1995) regrets that such approaches fail to account for a positive commitment to society that disregards self-interest and consequences. In addition, the view of CSR as an obligation fails to provide normative criteria to evaluate the extent to which actual business practices can or cannot be considered as socially responsible (Jones, 1995). With philanthropic donations or employee-friendly policies, a firm may just conform to social norms, yet, these initiatives may also be a paternalistic expression of corporate power (Swanson, 1995). Based on these criticisms, a third perspective of CSR emerged, thus CSR as ethics driven. Some scholars advocate an ethics-driven view of CSR that asserts the rightness or wrongness of specific corporate activities independently of any social or stakeholder obligation (Donaldson & Preston, 1995; Swanson, 1995). For instance, in line with justice-based ethics, a company could endeavour to methodically favor decisions and procedures that inspire equality, liberty, and fairness of opportunity for its various partners and associates.

The three viewpoints presented so far fundamentally describe the factors persuading businesses to commit to CSR. In contrast, a number of authors have portrayed CSR in terms of concrete





organizational processes often analyzed under the label of corporate social responsiveness, for instance, Ackerman (1975) drew three main activities representing corporate social responsiveness. These are monitoring and assessing environmental conditions, attending to stakeholder demands, and designing plans and policies aimed at enhancing the firm's positive impacts. In the same vein, Wartick and Cochran (1985) and Wood (1991), suggested that management and environmental assessment issues basically constitute two sets of managerial processes useful to achieve a proactive social responsibility stance.

Based on the various perspectives of CSR from literature, there abounds ample evidences to suggest no single conceptualization of CSR has dominated past research. The comparison and integration of past definitions is especially difficult because scholars have considered the social responsibilities of different conceptual entities, including (a) businesses in general, (b) the individual firm, and (c) the decision maker (Wood, 1991). In addition, while some researchers have examined CSR from a normative standpoint (with a concern for the duties of businesses in general toward society as a whole), others have favored a more managerial approach (how can an individual firm successfully manage CSR?) or an instrumental perspective (how can CSR generate organizational benefits?). Hence the type of CSR perspective to be employed by organisations depends on the focus of management and the intended end result.



## 2.5 Some Models of CSR Practices

Due to the complexity of social behaviour and what constitute CSR there exist several models to aid management in rolling out CSR activities (Raman *et al.*, 2012). Ivancevich *et al.* (1997) opine that no specifically accepted standard of CSR model exist, however managers adopt a model that

best suit their managerial situation. Depending on the background philosophy of managers, a particular CSR model can be adopted (Saunders, 2006). CSR is viewed by some managers as an obligation; others viewed it as a reactive situation; while others consider it as proactive behavior to aid in proper positioning of one's organization, these stands by managers determine the type of CSR model to use at a particular point in time (Meehan *et al.*, 2006).

### **5.1 Three-Stage Model**

The first model of CSR is Three-stage Model propounded by Sethi (1975). Sethi's Three-stage model was seen as a very great advancement in the CSR debate during its elementary era. Sethi's model was conceptualized along the social obligation school of thought of CSR (Sen & Chattacharya, 2001). The focus of the model was premised on three indicators namely social obligation, social responsibility and social responsiveness. The first stage indicated that businesses be socially responsible and they must work within the legal regulation of the state. The second stage argues that businesses must not only do well under state's legal laws but must also consider the customary laws and values of the society in which they operate, thus offering a balance between what they need from the society and what the society wants from them. The third stage calls for accountability and dynamism in dialogue with the stakeholders, that is, to involve them in the decision-making process (Sethi, 1975). Practitioners that may practice Sethi's model must be socially focus, since the model is advocate for the society as a whole beyond that of the stakeholders.



### **2.5.2 Pyramid Model (Carroll 1979, 1991)**

As a form of improvement on Sethi's model, Carroll (1979) developed a CSR model and categorized responsibilities of corporate institutions to their stakeholders into four broad ones. Namely, Legal Responsibility, Ethical Responsibility, Economic Responsibility and Discretionary or Philanthropic Responsibility. According to the author businesses must satisfy the legal framework surrounding their business operations, be morally mindful in decision making by being very fair and doing the right thing. Companies must also work to increase their assets portfolio and profitability and must be seen to be using part of their profit on public goods including capacity building and training for members of the society, provision of infrastructure including buildings, telephone water, among others (Schwartz & Carroll, 2003).

In 1991 Carroll modified his 1979 model by putting the various tenets of CSR into a hierarchical model in a form of a pyramid (Figure 2.1). Here the author arguing based on Friedman (1970)'s opinion that the corporate social responsibility of every business is to make profit for shareholders within the limit of legal consideration placed Economic Responsibility as the topmost priority of every organization. Carroll (1991) argued that the first stakeholder of every business is the shareholder, hence management must take prudent decision that will increase profitability of the organization thereby increasing shareholders stake. The second priority on the CSR pyramid according to Carroll (1991) is Legal Responsibility. The author argued that in order for companies to function and run profitably, managers must observe the regulations surrounding their businesses and must strictly adhere to both formal laws from state authorities and customs and conventions within the society in which the organization is operating (Carroll, 1991).



Ethical Responsibility was placed third on the pyramid. The author argued that companies cannot just obey legal requirements and make profit in a society without considering issues that are not backed by laws and therefore not mandatory but if not taken care of could negatively affect the existence of businesses. Carroll (1991) argued that ethical issues are moral issues that goes beyond legal and economic responsibilities of a firm. To the author, ethical issues serves as a link between all the indicators of CSR. The least prioritized aspect of CSR according to Carroll (1991) is philanthropic or discretionary responsibility. Discretionary responsibility lies with corporate entities' ability to use part of their profit to support the welfare of the society in which the organisations operate. Even though philanthropic responsibilities are the least in terms of prioritisation on the pyramid, it remains the most popular and obvious, hence most managers and the society only refer to CSR as philanthropic (Adeiza-Farouk *et al.*, 2013). The ethical and philanthropic stage has the aim to have a balance between the profit, people and the planet. In this stage the company does not only focus on profit but also on social welfare.

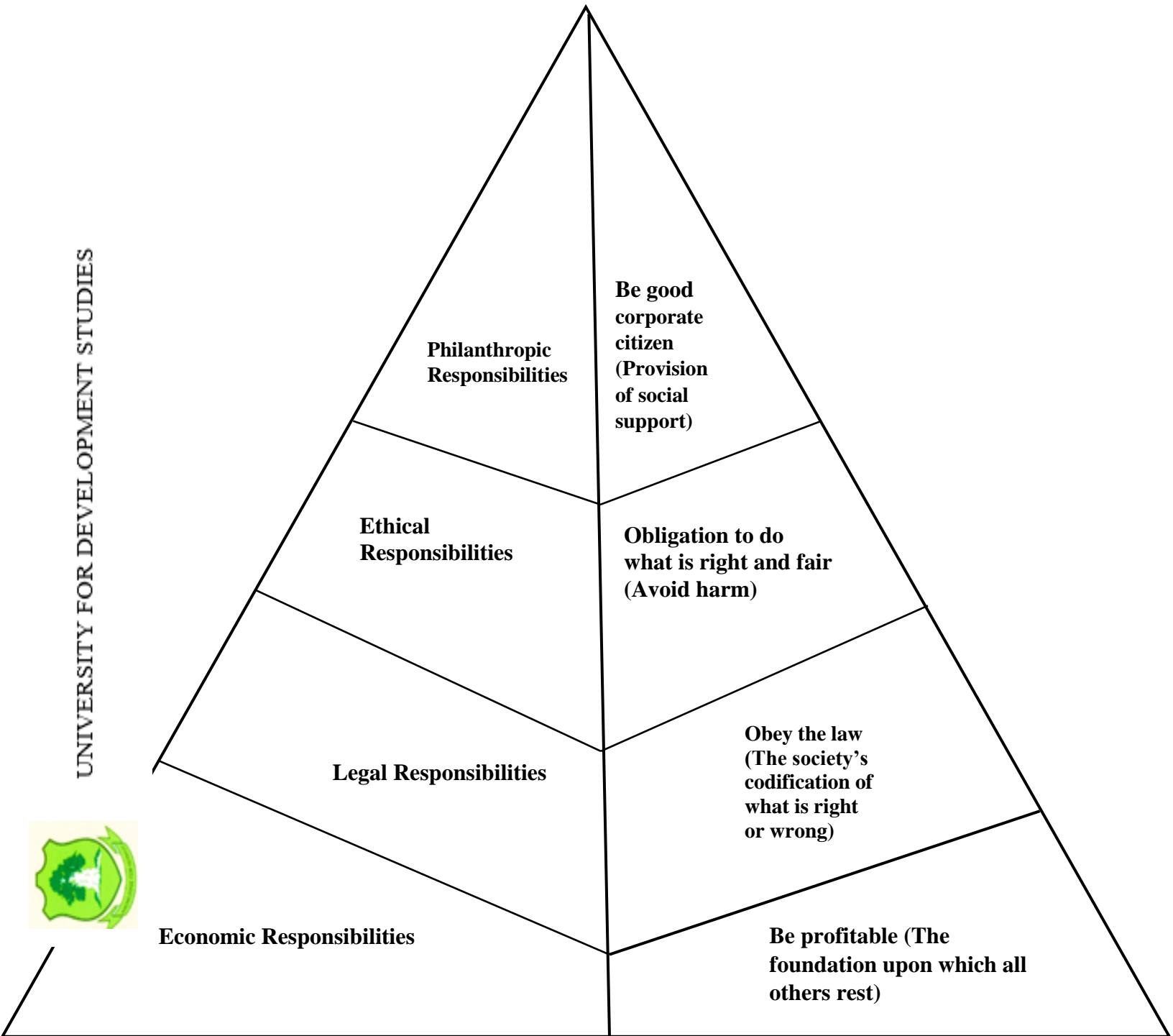
Carroll's Pyramid Model of CSR is the most widely accepted and it is implemented by most managers across the globe (Logsdon & Wood, 2002; Sethi, 2003; Bebbington *et al.*, 2008). A lot of studies in recent times across various industries, including that of the mining sector have tested the relevance of the pyramid model and they have all given credence to the relevance of the model in today's businesses (Naqvi *et al.*, 2013; Hasebur, 2014; Mocan *et al.*, 2015; Yadav & Bhawana, 2016). Kanji and Agrawal, (2016) argue that the pyramid model show that managers can achieve all the four tenets of CSR simultaneously which can lead to sustainable development both for companies and the communities in general.



The pyramid model was adapted and used in assessing the CSR practices of small scale mining companies for this study. However, the study argues that pertaining to small scale mining, the topmost priority of CSR practices for small scale mining companies should begin with legal responsibilities of the firms (to obey government's regulations and local communities' customs, values and norms), followed by economic responsibility (income generation for stakeholders), philanthropic responsibility and then finally ethical responsibility (fairness to stakeholders). This is shown in Figure 2.2.

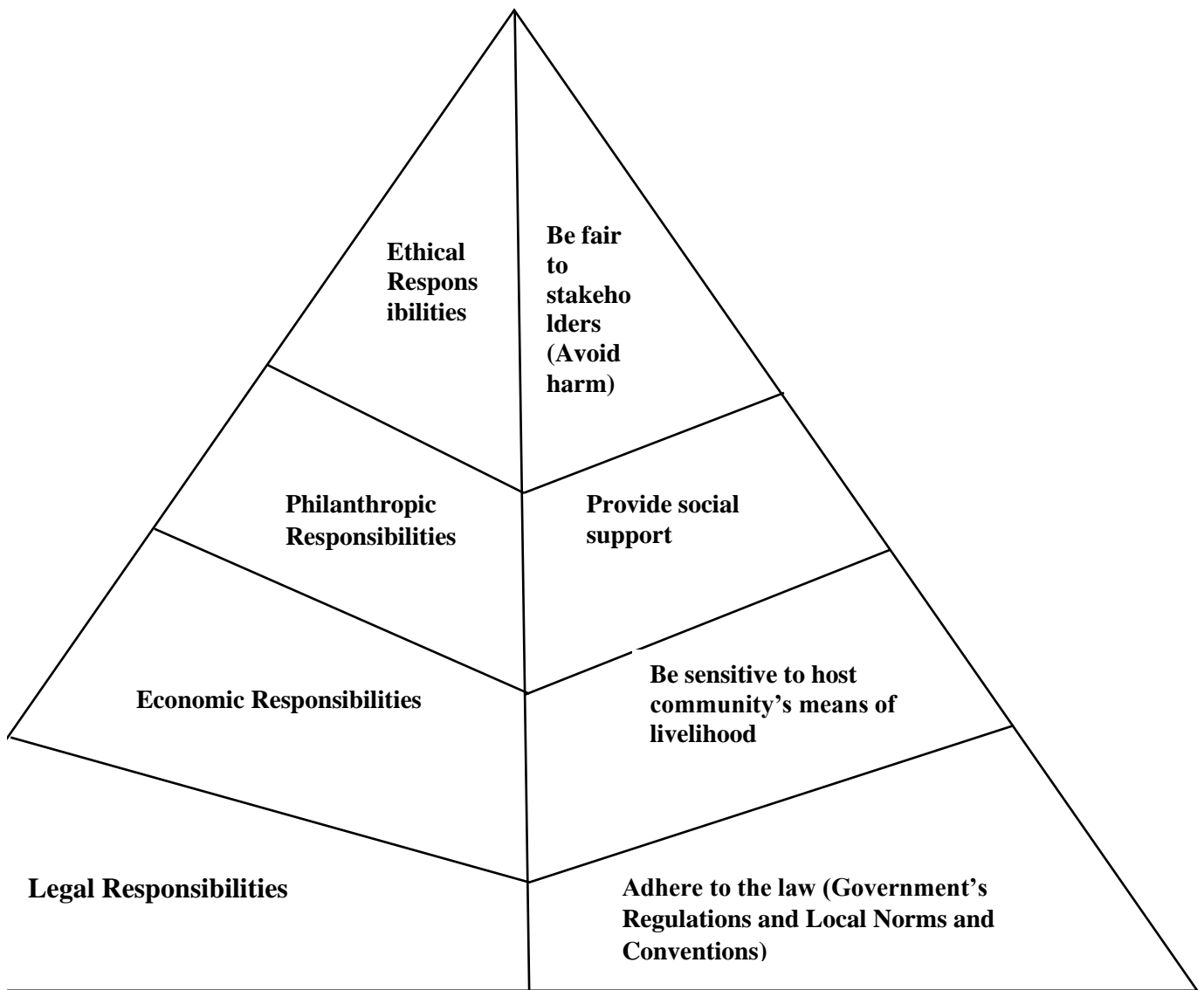


Figure 2. 1: Carroll's Pyramid Model of CSR



Source: Carroll (1991).

**Figure 2. 2: CSR Model for Small Scale Mining Companies**



apted from Carroll (1991).

### **5.3 Lantos's Model**

Lantos (2001) came out with his model of CSR that places CSR activities of companies into three, thus ethical, altruistic and strategic variables. Lantos posit that Ethical CSR is morally mandatory and goes beyond fulfilling a firm's economic and legal obligations, to its responsibility to avoid harm or social injuries, even in cases where the business does not directly benefit. According to

Lantos (2001) Altruistic Responsibility is humanitarian or philanthropic CSR and it comprises genuine optional caring, irrespective of whether the firm will reap financial benefits or not. Examples of this responsibility according to the author includes efforts to alleviate public problems (e.g. poverty, illiteracy) in an attempt to enhance society's welfare and improve the quality of life.

Strategic CSR on the other hand is strategic philanthropy aimed at achieving strategic business goals while also promoting societal welfare. Lantos model is much similar to that of the Pyramid Model as far as the tenets of CSR activities are concerned, however the model is much concerned with companies making and implementing decisions geared towards social welfare without much consideration to the companies' profitability and financial sustainability issues (Blowfield, & Brynas, 2005).

#### ***5.4 The Intersecting Circles Model of CSR***

The Intersecting Circles Model of CSR was propounded by Schwartz and Carroll (2003) to mainly counter the Pyramid Model which arranged CSR in hierarchical manner in which economic responsibility was given the topmost priority (Carroll, 1991). This model accepts only three tenets of CSR, thus Legal, Economic and Moral responsibility. However, the model advocates the integration of the responsibilities in Vein Diagram, with each tenet integrating into each other (Schwartz & Carroll, 2003). The model supports Davis' Iron Law of Responsibility (1960), according to this law, a business, although created for profit-making, is actually a social creation and in order for it to survive and thrive, the society must be willing to support and endure it. Such a support from the society can only be earned through the responsibilities and obligations it fulfils.

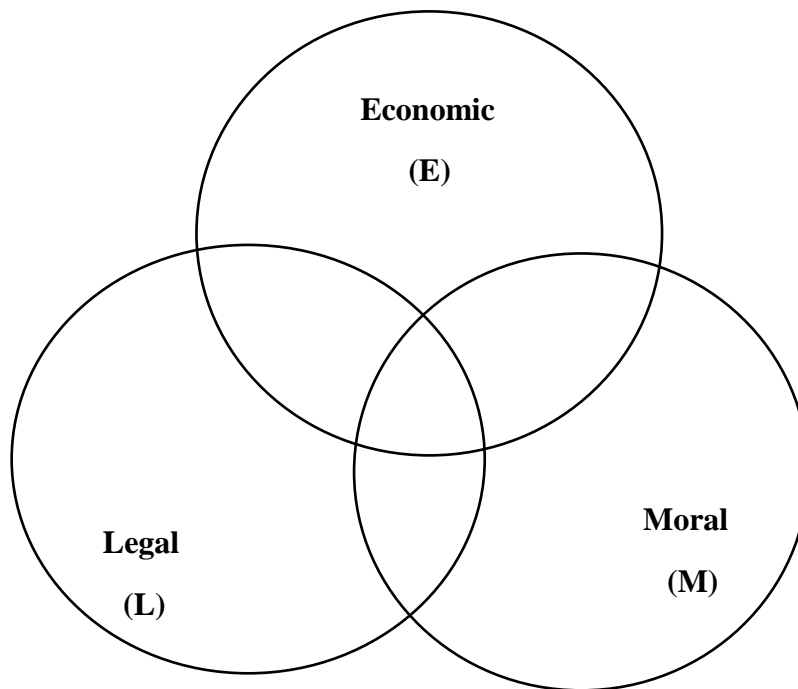




Converting the diagram presented in Figure 2.3 into a Venn diagram, we can have eight categories or classes:  $EL'M'$ ,  $LM'E'$ ,  $ML'E'$ ,  $ELM'$ ,  $EML'$ ,  $LME'$ ,  $ELM$  and  $E'L'M'$  (where E = Economic, L = Legal, M = Moral or Ethical). Among these categories,  $EL'M'$  signifies purely economic responsibility without any moral (ethical) and legal concerns,  $E'L'M$  means purely ethical responsibility, and so on. However, neither of the above two classes is feasible as both earning profit without any legal obligation and doing ethical work without any profit are not acceptable (Schwartz & Carroll, 2003).

However, somehow they find themselves in the classes of total CSR. Thus, this model appears to be descriptive in nature and not normative. Nonetheless, Schwartz and Carroll (2003) pointed out that the model can be used to establish CSR portraits for different entities like individuals, corporations, stakeholders, industries and nations. The model is flexible as one has the advantage of interpreting it as per the necessity.

**Figure 2. 3: The Intersecting Circles Model of CRS**



Source: Schwartz and Carroll (2003).



### **2.5.5 3C-SR Model**

The 3C-SR Model was propounded by John Meehan, Karon Meehan and Adam Richards of Liverpool John Moores University (Meehan *et al.*, 2006). The model prescribes three interrelated components of CSR these are ethical and social *commitments*, *connections* with partners in the value network and *consistency* of behaviour to build trust among stakeholders. Commitments, connections and consistency form the three Cs of the model.

The 3C-SR model has embedded components similar to that of Schwartz and Carroll (2003). For instance, Commitments in the 3C-SR model is a replica of the legal, ethical and economic dimensions proposed by The Intersecting Circles Model (Schwartz & Carroll, 2003). Normann and Ramirez (1993) argue that ‘*value occurs not in sequential chains but in complex constellations*’ and this defines the connections with partners in the value network. For instance, a company’s refusal to join a fair labour association will accrue heavy criticism in the public domain. The idea in this model is for companies to become good corporate citizens through the implementation of the 3Cs.

### **5.6 The Liberal Model**

The Liberal Model was carved out of the American economist Milton Friedman’s 1958 notion of corporate responsibility which stipulates that companies are solely responsible to their owners (Friedman, 1971). The model argues that, it is sufficient for a business to obey the law and generate wealth, which through taxation and private charitable choices can be directed to social ends. This ultimately fulfils the social responsibility of an organization towards the community and the nation.



The Liberal Model opposes companies' engagement in philanthropic and ethical issues, but strictly admonish managers to make profit for stockholders by adhering to the industry's regulatory frameworks and nothing more (Kanji & Agrawal, 2016). Latter models of CSR including the Pyramid (Carroll, 1991) adopted the economic aspect of the Liberal Model, thus every organization must be mindful of economic responsibilities before fulfilling any other responsibility.

### **.6 Evolution of Sustainable Development**

The idea of sustainable development first began in the 18th century and was essentially used in forestry (Ebner & Baumgartner, 2006). During that era, timber merchants and individuals were only permitted to fell a certain number of trees in order to ensure that a long-lasting protection of the tree population was guaranteed (Ebner & Baumgartner, 2006). This strategy ensured that there existed continuous supply of wood for the then present generation without reducing resources for forthcoming generations.

In 1972, The Club of Rome triggered an international debate on sustainable development when its reports *Limits to Growth* was published (Meadows, 1972). Prior to the initiation of this debate, the attention of development was geared only towards economic development approach which neglected the protection of resources and environment.

Due to the environmental and resource costs of economic development approach, in 1987, the World Commission on Environment and Development held a committee meeting on the best way to safeguard the world's development. The Committee came out with a report *Our Common Future*



and defined sustainable development as *a development that meets the needs of the present without compromising the ability of future generations to meet their own needs* (World Commission on Environment and Development, 1987). The conceptual definition brought about by the committee's reports denotes two key concepts thus the concepts of “needs”, in particular the essential needs of the world's poor, to which overriding priority should be given; and the idea of limitations imposed by the state of technology and social organisation of the environments ability to meet present and future needs (Emas, 2015). Elkington goes more into detail when arguing that companies should not only focus on enhancing its value through maximising profit and outcome but concentrate on environmental and social issues equally (Elkington, 1998).

In 1992, the United Nations Conference on Environment and Development was held in Rio de Janeiro and was attended by 172 governments and multinational companies and non-governmental organisations to address issues affecting sustainable development across the globe (United Nations Sustainable Development, 1992). The discussions on pattern of economic production, alternative sources of energy, climate change among others and the enactments of the Rio Declaration on Environment and Development, Agenda 21 and Forest Principles further heightened the international attention and discuss on sustainable development (Santillo, 2007). The Rio de Janeiro conference created much awareness on sustainable development and compelled organisations especially multinational companies to implement sustainability strategies in their organizational policies, hitherto organizational successes were no more measured by economic indicators alone but sustainability indicators as well (World Business Council for Sustainable Development, 2006).



In August, 2015 all the heads of the 193 member countries of the United Nations and other civil society organisations met and passed a resolution which brought 17 sustainable development goals and 169 targets to be achieved by member countries within a 15 year period (UN, 2015). Since the publication of the Brundtland Report, all conferences, meetings, development policies and strategies of the United Nations have been geared towards the achievement of sustainable development (Yakubu, 2002).

### ***6.1 Dimensions of Sustainable Development***

Rios-Osorio *et al.*, (2005) opines that sustainable development has three basic approaches or dimensions as a general concept, these are economic, environmental, and social development. According to the authors, these three dimensions are multifaceted themselves and are interrelated and complementary. Ciegis *et al.*, (2009) reiterated the stance of Rios- Osorio by also categorizing the sustainable development into three dimensions of wellbeing namely, economic, ecological, and social. Economic wellbeing includes profitability of business organisations, fair payment of wages and salaries to employees, fair dealing with suppliers and competitors, business opportunity creation for people, ecological wellbeing includes protection of the environment, efficient use of natural resources, avoidance of harm, reduction of industrial pollution and social wellbeing includes adherence to industries' regulations, adherence to customs, conventions and values of the society in which business is situated, respect and care for the local people, avoidance of discrimination among others (Ciegis *et al.* 2009).

The multifaceted dimensions of sustainable development and its interdependency which is similar to CSR compel Elkington (1997) to refer to the concept as Triple Bottom Line thus sustainability of Plant, Profit and Place. Where plants represents the environment, place represents social



dimension and profit represents economic dimensions. Jenkins and Yakovleva (2006) believe that in the mining sector, the dimension of sustainable development is based on economic development, environmental preservation, and social integrity. For the purpose of this study, all the three dimensions of sustainable development namely economic, socio-cultural and environmental sustainability are assessed.

### **2.7 CSR and Sustainable Development in Mining**

CSR and sustainable development in the mining sector has attracted premium attention globally among academic scholars, practitioners and Governments in recent times especially in developing countries (e.g. Mining, Minerals, and Sustainable Development, 2002; Jenkins, 2004; OECD, 2012; Méndez & Rodríguez, 2016). Jenkins and Yakovleva (2006) posit that mining companies have great impact on the communities they operate, both negative and positive and can have dire consequences on the development and sustainability of the communities. Collins and Lawson (2014), posit that the mining industry is one of the industries that accrue much revenue to governments and employ significant number of populace in remote and poor regions of the world but pose one of the greatest threat to sustainable development. A major argument against the mining sector contributing to sustainable development is that mineral resources are finite and non-renewable (Cowell *et al.*, 2009), therefore the opportunities for future generations to access these resources are reduced (WCED, 1987). Hence, mining companies are entreated to implement policies that will reduce the negative impact of their activities on the catchment areas and plan and execute strategies to have positive net outcomes that are sustainable in the long term (Lins & Horwitz, 2007).



Warhurst and Noronha, (2000) posit that at the local level, sustainable development is about meeting locally defined social, environmental, and economic goals over the long term. Therefore interactions between the mining companies and communities should add to the physical, financial, human, and information resources available to the community but not to detract them. The authors argue that the effectiveness of interactions between mining companies and communities are regarded as positive by those affected locally by the action of the mining company if companies roll out CSR activities that will help the communities to develop in ways that are consistent with their own vision.

Divas-Ducca (2002) complains, that in most developing countries Ghana inclusive, there is no effective legal framework binding mining companies to be corporately responsible, hence most companies simply walk away from what should be their corporate responsibility that is, their ecological and social debt to affected societies. The laws are very silent on the social responsibility of mining companies towards residents of the communities they operate (Hinton, 2006). Mining companies that undertake CSR in Ghana therefore do so as a result of ethical considerations but not as a result of legal obligation (Hilson & Garforth, 2013). According to Dixon (2014) regulations on CSR implementation are often considered to be inadequate, outdated and lacking enforcement.



Despite the general silence of regulatory framework on CSR in the mining sector, Mutti, *et al.*, (2012) in their study of mining companies in Argentina revealed that multinational mining companies do well to mitigate the impact of their activities on residents of the communities they operate by adhering somehow to regulations surrounding their activities. Yakovleva and Vazquez-Brust (2012) using a stakeholder's perspective also observed that most multinational mining

companies in Argentina have CSR and sustainability policies in their organizational strategies. A very recent study in Columbia by Méndez and Rodríguez (2016) show most large scale mining companies do have a CSR policy or strategy and they strictly implement them.

Studies by Mensah (2009) and Brew *et al.*, (2015) show most large scale mining companies in Ghana adhere to government's regulations governing the industry, employees and they also provide certain social services to the operating communities, thereby reducing the negative effect of their activities on residents but same cannot be said about most small scale mining companies and artisanal miners (World Bank, 2013). Lungu and Shikwe (2007) in their study in Zambia, reported that some small scale mining companies perform some CSR activities to the communities they operate but they mostly do not have CSR policies in the organizational strategies. This shows these mining companies are corporate socially responsive but not responsible. In other words, these companies react to social needs as and when they arise. In any case, every company is corporately responsible as far as they remain within the corridors of law and make profit for stockholders (Friedman, 1971). However, Giacomo and Giacomo (2010) suggest that the best way to pursue CSR and achieve sustainable development is to make it part of the firm's strategy and its implementation should start from a broader stakeholder consultations, this will help achieve sustainability through CSR activities according to the authors.



### ***2.7.1 Pattern of CSR Practices in the Mining Industry***

The pattern of CSR practices of companies differs among geographical areas, jurisdictions and industries (Visser *et al.*, 2007). Visser (2008) posit that in America and Europe, generally the pattern of CSR is more geared towards economic and ethical responsibilities as the legal responsibilities are naturally adhered to, whereas in Africa, CSR practices across industries are



generally biased towards philanthropic responsibilities and economic responsibilities. A study by Mzembe (2012) revealed the pattern of CSR practices of companies depend largely on the activities of the company and the expectations of the stakeholders affected by the company's activities. For instance, a study by Matei and Voica (2013) show pattern of CSR practices in the financial sector is compliance with code of ethics and financial regulations both locally and internationally but that cannot be said about the mining sector.

One like the service and the hospitality industries, actors in the extractive industry are expected to be more socially responsible towards communities in which they operate (Jenkins & Yakovleva, 2006). Mzembe (2012) observed that mining companies in Malawi give employment opportunity to residents within their operation areas, donate to social services such as building of schools, hospitals and drilling of boreholes for residents. Méndez and Rodríguez (2016) contend that the CSR focus of most mining companies in Santurban Moorland area of Columbia is provision of social services to residents and adherence to human right issues which even go beyond the country's legal laws. In their study of CSR of small scale mining companies in Zambia, Lungu and Shikwe (2007) observed that mining companies are concerned with donation to social services which include building of community schools, hospital, drilling of boreholes and construction of feeder road. The mining companies see philanthropic responsibilities as top priority of external stakeholders. Ideally mining companies should be concern about environmental protection issues and adherence to legal responsibilities according to (Mutti *et al.*, 2012) but that is not the case in Zambia. Legal, economic and ethical responsibilities are not necessarily the priority of mining communities and this may be attributed to the relatively high incidence of poverty in the rural communities where the small scale mining activities take place.



Stranding and Hilson (2013) contend Ghana is seen as a perfect example of how mineral-rich countries can evenly distribute wealth to reach local communities. Mining companies in the country especially large scale miners pay royalties to the government and the traditional leaders whose jurisdiction the mining activities take place (Gajigo *et al.*, 2012). Garvin *et al.*, (2009) reiterate that mining companies periodically honour their legal obligation of paying taxes and royalty to stakeholders. Nyame, and Grant (2014) posit that mining companies are the main source of funding for development foundations initiated by traditional leaders. For example, Newmont contributes 1\$ per oz. extracted and 1 percent of pre-tax profits, while Goldfields contributes 2 percent of pre-tax profits to development foundations within their catchment areas. These foundations are then governed by members of the community and district authorities, with some mining company supervision. This help the mining companies to properly engage the communities. Nyame and Grant (2014) posit this has been the trend of CSR practices for most multinational mining companies operating in Ghana.

A study by Brew *et al.*, (2015) in the Eastern Region and the Western Region revealed that mining companies are much concerned with provision of social services including health, education, monetary donation to festivities, and livelihood related CSR activities in the communities. Similar to Brew *et al.*, (2015)'s finding, Owusu-Mensah, (2015) also discovered that mining companies in Ghana are much concern with philanthropic and economic responsibilities. Shama and Ruud (2003) earlier contended that CSR in the mining sector should focus on social and ethical issues and that is what most mining companies seem to be doing. Madrigal and Boush, (2008) contend philanthropy responsibilities afford an opportunity for mining companies to establish an ethical



and moral mantra within the community and perhaps this notion may have influenced the mining companies to be much concerned with philanthropic responsibilities.

## 2.8 Drivers of CSR in the Mining Sector

Research abounds on the forces behind industries including that of the mining sector's involvement in CSR activities (Walker & Howard, 2002; Jamali & Mirshak, 2007; Dasgupta & Ghatge, 2015).

Walker and Howard (2002) give various reasons why mining companies are involved in CSR initiatives. First the authors argue that mining companies have poor public opinion, they are seen as destructive to natural environment, hence they are not judged by their economic performance but rather social and environmental performance. The legitimacy of the mining sector is always challenged by pressure groups and non-governmental organisations, this has forced most mining companies to adopting CSR practices that will help send signal to the public that they do care about the society as well (Jamali & Mirshak, 2007). Many large NGOs have campaigns specifically targeted at the mining industry, such as Oxfam's Mining Campaign (Oxfam, 2004) and Friends of the Earth International's Mining Campaign (resisting economic globalisation) (foei.org, 2004).

Findings from Dasgupta and Ghatge (2015)'s study suggest a wide gap between theory and practice. In fact, the interest in Corporate Social Responsibility as a concept has gained prominence primarily due to the effect of globalization where alien companies made an effort to become citizens of the host country. Moreover, while governments have traditionally assumed sole responsibility for the improvement of the living conditions of the population, society's needs have exceeded the capabilities of governments to fulfill them. In this context, the spotlight is



increasingly turning to focus on the role of business in society and progressive companies are seeking to differentiate themselves through engagements in CSR (Jamali & Mirshak, 2007).

According to Cook *et al.*, (2015) mining companies usually find it difficult to get the social license to operate. For instance, resistance by several social organization groups to the expansion of gold mining at Mount Quilish led Newmont to suspending its activities in Peru (Jamali & Mirshak, 2007). Opposition to the mine was based on accusations of bribery for concessions, lack of community engagement, impacts on the mainly agricultural local land-use, pollution and related health impacts, and the influx of work-seeking migrants Cook *et al.*, (2015). Mining companies therefore result to CSR as a means of avoiding conflict and disturbance from residents of mining communities, this is known as defensive strategy (Porter & Kramer, 2006). Gutierrez and Jones (2005) reiterated most mining companies engage in CSR activities in order to ward-off criticisms of their social and environment practices.

Porter and Kramer (2006) argue that the case for CSR has developed around four opinions namely moral obligation; license to operate; sustainability; and reputation. The moral argument is that companies have a duty to be good citizens while the notion of license to operate recognizes the fact that companies require explicit or at least tacit approval from a number of stakeholders in order to operate. A focus on reputation is rooted in the conviction that CSR commitments and achievements will help to improve a company's image and strengthen its brand while sustainability looks to emphasize environmental and community stewardship.



Werther and Chandler (2006) claim the main rationale for mining companies involvement in CSR is based on ethical and economic background. According to Mahajan (2011), globalization, government and inter-governmental treaties including international declarations, guidelines, principles and other instruments that outline social reforms for acceptable conduct and advance in information and communication technology has influenced mining companies to engage in CSR activities in recent times.

### **9 CSR and Organisational Performance of Mining Companies**

Attention to the business case for CSR has gained noticeable consideration in the academic setting (Vogel, 2005; Porter & Kramer, 2006; Malik & Nadeem, 2014). A study by Luo and Bhattacharya (2006) show engagement in CSR activities accrue to the benefit of mining companies. The authors argue a corporate socially responsible firm present a positive image to shareholders including regulators and government, thereby reducing reputational risks. Managing risk is a central part of many corporate strategies. Reputations that take decades to build up can be destroyed within a short period through incidents such as corruption, environmental degradation or workplace accidents which are very popular with most mining companies. These can also draw unwanted attention from regulators, courts, governments, and media, disrupting work and thereby reducing productivity.

Building a genuine culture of “*doing the right thing*” within a corporation can offset these risks (Porter & Kramer, 2006). Danko *et al.*, (2008) believe every mining company need license to operate (both legal and social license), by engaging in CSR activities mining companies get access to these licenses and work continually without regulatory disruption or disturbances from



aggrieved community members. The mining sector is heavily capital intensive business, even with the introduction of new technologies and earth moving machines, the small scale mining sector has become mechanized hence investors are needed. Investors in recent times seek socially responsible firms and not just the highest current financial returns, hence corporate socially responsible small scale mining firms are able to attract investors so easily (Smith, 2007).

### ***9.1 Arguments against Mining Companies' Involvement in CSR Activities***

The case against the concept of CSR typically begins with the classical economic argument articulated most forcefully by Friedman (1962). Friedman held that management has one responsibility and that is to maximize the profits of its owners. Friedman argued that social issues are not the concern of business people and that these problems should be resolved by the unrestricted workings of the free market system. Further, this view holds that, if the free market cannot solve the social problems, it is not upon business, but upon government and legislation to do the job. A second objection to CSR has been that business is not equipped to handle social activities. This position holds that managers are oriented towards finance and operations and do not have the necessary expertise (social skills), to make socially oriented decisions (Davis, 1973). Hayek (1969) also argued that CSR defeats businesses' primary purpose. The objection here is that to adopt CSR would put business into fields of endeavor that are unrelated to their proper aim of rendering products and services to the society (Hayek, 1969). A fourth argument against CSR is that business already has enough power, and so why should we place in its hands the opportunity to wield additional power, such as social power (Davis, 1973).

Although the above arguments were pushed some decades ago, in recent times some scholars believe in these arguments (Baron 2001; Karnani, 2014). Reinhardt *et al.*, (2008) contend that



companies engage in CSR not because of the benefit to the society but to gain public reputation, hence they are not able to effectively solve societal problems. The authors' argument emphasizes the earlier stands of Davis (1973).

## 2.10 Theoretical Framework

This section of the study examines some theories that have relevance to the study. The choice of selecting these theories was based on available empirical literature reviewed. The study first examines the stakeholder theory (the theory underpinning the study) and the Triple Bottom Line theory.

### 10.1 Stakeholder Theory

The stakeholder theory was propounded by Freeman (1984). Freeman (1984) defined stakeholders as *any group or individual who can affect or is affected by the achievement of the organization's objectives*. Freeman's definition of stakeholders encompasses those with direct influence on the organization such as stockholders and employees and those with indirect influence such as regulators, media, residents of communities in which the organization is sited among others.

The stakeholder theory posits that, an organization is made up of interconnected groups of people who are motivated to participate in organizational activities with different interests. The interest of each of these groups of people weighs equally and must have similar priority (Donaldson & Preston, 1995). The stakeholder theory suggests that managers' responsibility is not only to maximizing stockholders' value, as agency theory points out, but also take into consideration the wellbeing of other stakeholders affected by corporate decisions (Cragg & Greenbaum, 2002).



The theory posits that a business acts in a socially responsible manner when its decisions and actions account for, and balance, diverse stakeholder interests (Adeneye & Ahmed, 2015).

Recent studies evaluating CSR in the mining industry applied the stakeholder theory (Cragg & Greenbaum, 2002; Visser, 2007; Mutti *et al.*, 2012; Adeneye & Ahmed, 2015). Snider *et al.*, (2003) contend that stakeholder theory provides a useful framework to evaluate CSR through social reporting activities. This study posit that there exist a natural congruence between stakeholders' theory and CSR. Carroll (1991) the originator of the Pyramid Model of CSR, defines stakeholder management as a win-win relationship that managers harmonize their own goals with stakeholders' demands and expectations. Within the focus of this relationship, the sense of CSR for small scale mining companies is to bring into balance the differentiating interests of society, the obligation of environmental protection, and profit goals of business owners and then integrate these interests into the business' strategies in order to ensure sustainability.

### ***10.2 Triple Bottom Line Theory (TBL)***

The TBL Theory was propounded by Elkington (1997), the theory articulates the extension of the environmental agenda in a way that integrates the economic and social lines (Elkington, 1997).

TBL offers a framework for measuring the performance of a company and the success of the organization using the economic, social, and environmental lines (Goel, 2010). Rogers and Hudson (2011) also refer to the theory as the practical framework of sustainability. Targeted toward corporations, the TBL agenda puts a consistent and balanced focus on the economic, social, and environmental value provided by the organizations. The idea behind the TBL paradigm is that a corporation's ultimate success or health can and should be measured not just by the traditional





financial bottom line, but also by its social/ethical and environmental performance. The popularity of TBL theory among academicians started in the mid-2000s when the sustainability debate was at its peak (Norman & MacDonal, 2004).

The economic line of TBL theory refers to the impact of the organization's business practices on the economic system (Elkington, 1997). It focuses on the economic value provided by an organization to the surrounding system in a way that prospers it and promotes for its capability to support future generations. The surrounding system here refers to all people who affects or are affected by the activities of the organization (stakeholders) (Spangenberg, 2005). The economic line is very similar to the economic responsibilities of organisations espoused by Carroll (1991).

The social line of TBL refers to conducting beneficial and fair business practices to the labour, human capital, and to the community (Elkington, 1997). The idea is that these practices provide value to the society and "give back" to the community. Examples of these practices may include fair wages and providing health care coverage. The social performance focuses on the interaction between the community and the organization and addresses issues related to community involvement, employee relations, and fair wages (Goel, 2010). The social line of TBL has elements similar to the legal, philanthropic and ethical responsibilities of companies advocated in the CSR

model propounded by Carroll (1991).

The environmental line of TBL refers to engaging in practices that do not compromise the environmental resources for future generations. It pertains to the efficient use of resources to achieve present generations' wellbeing without compromising that of the future generations' (Goel, 2010). The environmental line of TBL is more geared towards ethical or moral



responsibilities when compared to the Pyramid Model of CSR (Carrol, 1991). There is natural congruence between CSR, stakeholders' theory and TBL theory, they all lead to sustainable development.

### **2.10.3 Conceptual Framework**

Figure 2.4 represents the conceptual framework used for the study. The framework shows how small scale mining companies in East Akim Municipality can integrate CSR in their organizational policies in order to achieve business sustainability. Drawing from the framework, there are four main groups of people (stakeholders) who have influence on the success of the mining companies, these stakeholders also have their individual interests as far as the operation of the mines are concerned. The framework posit that the integration of the various interests of the stakeholders into small scale mining operations, will make the companies socially responsible thereby leading to business sustainability.

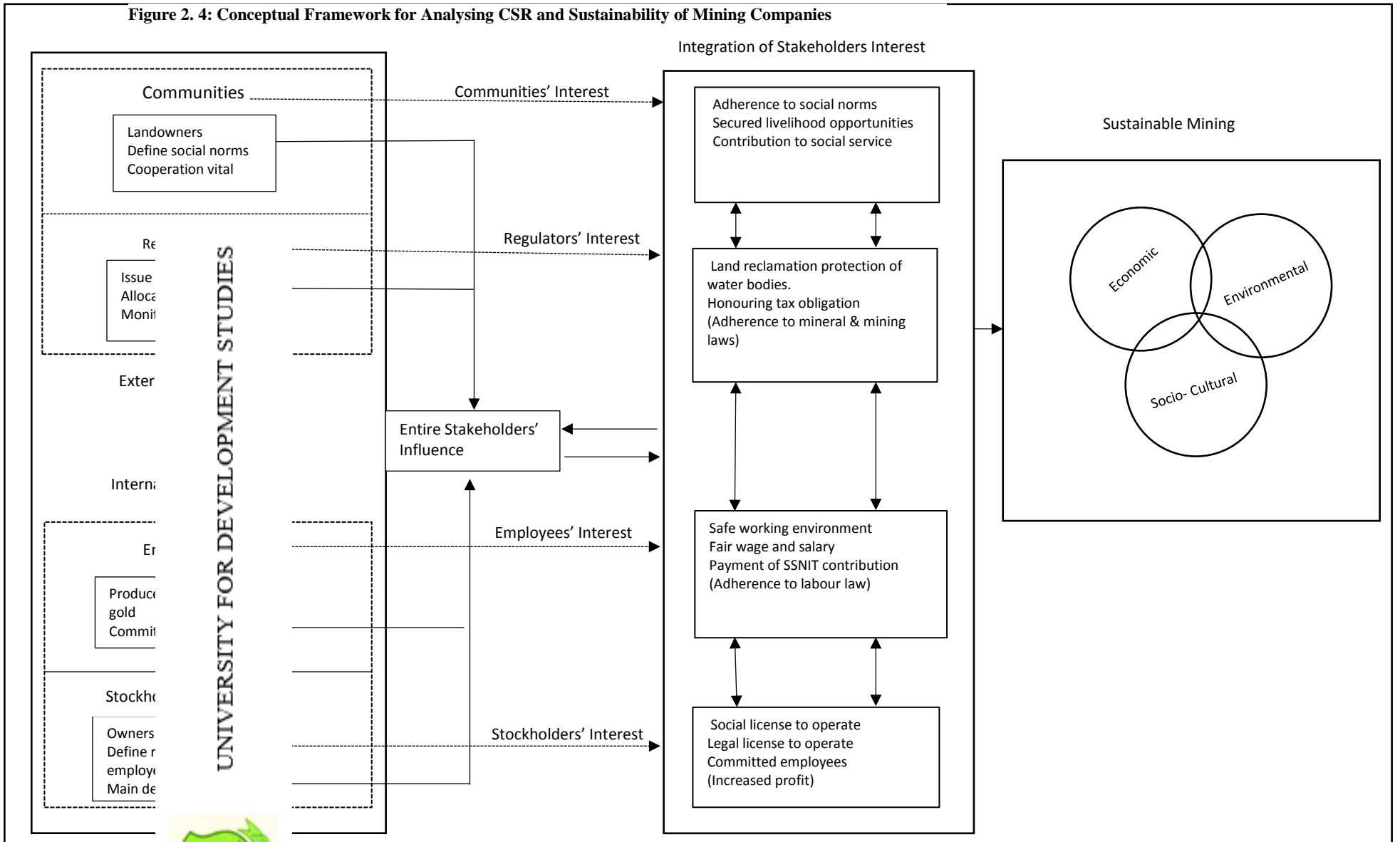
By integrating the expectations of regulators, management will reclaim old mining sites, dispose toxic chemicals properly, will not mine near water bodies etc., this will lead to environmental sustainability. By integrating the expectations of employees, management will create safe working environment, compensate fairly, pay their SSNIT contribution, etc. This will help employees to be committed in order to produce more and thereby increase the sales volume of the company. This will make them financially sustainable. By integrating the expectations of the host communities, management will be able to help with social services such as road, market, etc., protect their environment, use the right procedure in land rent payment, employ more indigenes, obey the social norms of the host communities. These shall make the companies more acceptable and thereby



create a good reputation for stockholders. These shall also create peaceful co-existence and socio-cultural sustainability.



**Figure 2. 4: Conceptual Framework for Analysing CSR and Sustainability of Mining Companies**



Source: Adapted from Freeman (1984) and Carroll (1991).



## CHAPTER THREE

### METHODOLOGY

#### 3.1 Introduction

This chapter of the study presents the various techniques that were employed in carrying out the study. The chapter discusses the research design, sample frame, sample size and sampling techniques. It also presents the methods for data collection, types and sources of data, data collection tools, validity and reliability tests, method of data analysis, limitation of the study and brief profile of East Akim Municipality, the study area.

#### 3.2 Profile of East Akim Municipality

The East Akim Municipality is located in the central portion of Eastern Region with a total land area of approximately 725km<sup>2</sup>. The Municipality is bounded by six districts namely Atiwa District to the north, West Akim District to north west, Fanteakwa District to the East, New Juaben to the south, Yilo Krobo District to the south east and Suhum-Kraboaa-Coaltar District to the west. The Municipal capital, Kyebi, is 55km from Koforidua, 105km from Accra and 179km from Kumasi. The population of the Municipality as at 2010 was 167,896 according to the Ghana Statistical Service (2012) even though the Municipal Assembly placed the figure of the populace at 188,169 in 2013 (East Akim Municipal Assembly, 2014).

#### *Relief Features of the Municipality*

The land is generally undulating and rises about 240 metres to 300 metres above sea level with the highest point being the Atiwa ranges rising over 350 metres above sea level. There are several different types of rock formation giving the different relief features ranging from flat bottom



valleys to steep-sided highlands which are usually covered with iron pans, bauxite and kaolin. The underlying rocks are of the Birimian formation covering over three-fourths of the closed forest zone. Also found are masses of granite which occur in parallel belts. This rock group contains several mineral deposits including gold, diamond, bauxite and kaolin (East Akim Municipal Assembly, 2014).

The Municipality is drained by rivers such as the Birim, Densu, and Bompong most of which have their catchment areas within the Atiwa and Apedwa Forest Ranges. Several other seasonal streams are found in the municipality. The pattern is largely dendritic flowing in the north-south direction (East Akim Municipal Assembly, 2014).

The Municipality lies in the west semi-equatorial zone characterized by double rainfall maxima occurring in June and October; the first rainy season from May to June and the second from September to October. The mean annual rainfall is between 125mm and 175mm. The dry seasons are really distinct with the main season commencing in November and ending in late February. Temperature is found to be fairly uniform ranging between 26°C in August and 30°C in March. Relative humidity is generally high throughout the year, ranging between 70% - 80% in the dry season and 75% - 80% in the wet season (East Akim Municipal Assembly, 2014).

The Municipality lies within the moist semi-deciduous forest. There are few forest reserves covering about 108.8sq. kms, including part of the Atiwa Forest Reserve. The forest reserves constitute about 15% of the entire surface area of the Municipality. Some commercial species of



trees contained in the forest are Odum, Wawa, Ofram, Mahogany, Kyenkyen among others (East Akim Municipal Assembly, 2014).

The land surfaces of the Municipality are suitable for the cultivation of both food crops (cassava, plantain, yam, cocoyam, maize) and cash crops (cocoa, coffee, oil palm, citrus, cola) which are grown in the Municipality. The land in this area is susceptible to very severe soil erosion if laid bare of vegetation (East Akim Municipal Assembly, 2014).

### ***Natural Resources of the Municipality***

The natural resources that abound in the Municipality are mainly mineral and forest products as well as water bodies. Mineral resources include deposits of gold, diamond, bauxite and kaolin. The gold and diamond deposits are found in the Birim river basin, Asikam, Agyapomaa, Adukrom, Bremponso, and Kibi. Kaolin deposits are found at the Atiwa Ranges whilst bauxite and manganese are found in Apapam (East Akim Municipal Assembly, 2014). The forest reserves are found at Atiwa (158 sq.miles.) and Apedwa (25 sq.miles.) contain valuable timber species like Wawa (*Tripolchiton scleroxylon*), Odum (*Milicia excelsa*), Sapele (*Guthaphragong*) and Mahogany (*Kyaya ivorensis*) (East Akim Municipal Assembly, 2014).

### ***Economic Activities of Residents of the Municipality***

About 68 percent of the populace are economically active. The Municipality is predominantly rural with about 52 percent of the inhabitants dwelling in rural communities. Agriculture remains the mainstay of the people in the Municipality with about 58 percent of the populace engagement in crop production notably cocoa, cassava, plantain and citrus (GSS, 2012). The rest of the populace



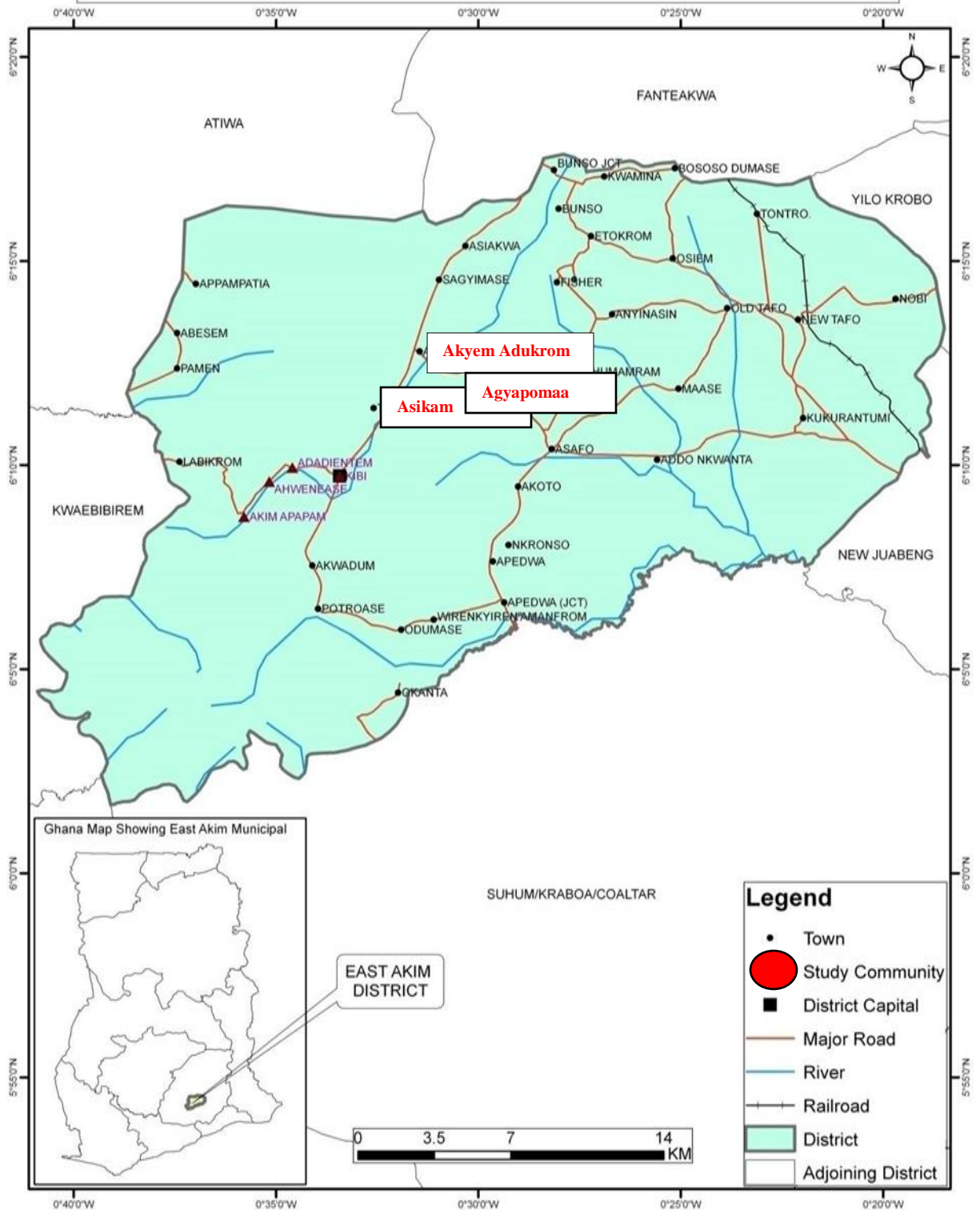
are involved in trade and commerce (33 percent) and industry (9 percent). Lumbering and mining activities are very vibrant in the Municipality. Due to the recent hike in gold prices at the world market and the high deposit of gold in the municipality especially at Asikam, Agyapomaa, Adukrom and Kibi, majority of the youth in these areas have abandoned farming to mine gold, thereby making small scale mining a vital part of the economic activity of the labour force in the Municipality (EAMA, 2015). Figure 3.1 represents map of the Municipality.





**Plate 3. 1: Map of East Akim Municipal Assembly Showing the Major Settlements**

UNIVERSITY FOR DEVELOPMENT STUDIES



Source: RS/GIS Laboratory, University of Ghana (DGRD)

Source: East Akim Municipal Assembly (2014).

### 3.3 Research Design

Bhattacharjee (2012) describes research design as a comprehensive plan for data collection in an empirical research project. It serves as a “blueprint” for empirical research aimed at answering specific research questions and must cover the process of the data collection process, the instrument development and the sampling process (Bhattacharjee, 2012). Yin (2003) also refers to a research design as an action plan for getting from here to there, where ‘here’ may be defined as the preliminary set of questions to be answered and ‘there’ is some set of conclusions.

The study focuses on assessing corporate social responsibility and sustainability adherence of small scale mining companies in the East Akim Municipality and the design adopted for the study is a descriptive cross-sectional survey with a mixed method data collection approach. Bhattacharjee, (2012) defines descriptive survey as a method of collecting data from respondents through the use of standardized questionnaires or interviews. Descriptive cross-sectional survey designs collect data about respondents’ attitudes, preferences, beliefs, knowledge, practices or situations from a sample in a field setting. Descriptive survey aims to base knowledge claims on realistic grounds, is problem centered, situational oriented and very generic (Singh, 2006). Creswell (2014) maintains descriptive cross-sectional survey research offers both qualitative and quantitative description of trends, attitudes, or opinions of a population by studying a sample of that population.

Descriptive cross-sectional survey design was appropriate for the study because cross-sectional data describing and interpreting current trend of issues, practices that prevail, attitudes and perceptions about the existence of CSR in the organizational policies of SSM companies, the patterns of CSR practices, the effects of CSR practices on the performance of SSM companies and



the effects of CSR practices on the livelihood of residents of the Municipality was collected from a sample of the population in their natural setting (field). Descriptive cross-sectional survey was employed because the design offers opportunity for both texts and numeric data (mixed method) to be collected in a single questionnaire, thereby saving the researcher time and money.

### **3.4 Population of the Study**

The theoretical population of the study included all small scale mining companies, management and employees operating in the East Akim Municipality, residents of communities in which small scale miners undertake their activities and government regulatory bodies including Mineral Commission, the Environmental Protection Agency and the Forestry Commission in the Municipality. As of January 2017, there were 15 registered SSM firms operating in the Municipality according to the Mineral Commission (2017). As of 2010, there were 167,896 people living in about 210 settlements of the Municipality even though the number of people is projected to increase in 2016 (GSS, 2012).

### **5 Sample Size and Sampling Technique**

#### **5.1 Sample Size**

Three communities (Agyapomaa, Adukrom and Asikam) out of the 210 settlements in the Municipality were selected for the study. These communities were selected because SSM companies have been briskly operating in the communities for the past fifteen years, hence residents of the communities have an in-depth knowledge of their CSR activities. The three communities are also homogenous in relation to the population characteristics and the characteristics of the SSM companies that operate there. The three communities were also selected based on their proximity and convenience to the researcher.



The total population of these three communities as at 2010 was 6366 (Agyapomaa 2008, Adukrom 2129 and Asikam 2229) (GSS, 2012). Due to the unavailability of a list of people in each of the communities, the study proportionately selected 2.5 percent of the population in each community based on the figures from the Ghana Statistical Service (2014). This was done in order to ensure a fair representation of each community and since the populations are not of equal number.

Three SSM companies (Atta Gold, Mining Gold Resource and MOS Mining) were selected for the study. These companies were selected because they are the major licensed SSM companies operating in the three communities. Atta Gold was selected because the company has operated in each of the three communities, so are MOS Mining and MGR, this informed the selection of the three companies.

The total number of employees of these three companies combined is 174 (Atta Gold (51), Mining Gold Resource (74) and MOS Mining (49). All the three companies participated in the study.

A total of 229 respondents participated in the study, these are 159 residents (Assemblymen inclusive) (Agyapomaa 50, Adukrom 53 and Asikam 56), 64 employees and 3 managers (stockholders) of the three companies and 3 regulators (Chairman of the Mining Committee of the Municipal Assembly, the Head of Inspection Unit of Environmental Protection Agency (Eastern Region) and the Eastern Regional Director of Mineral Commission). A list of the sample of the study is shown in Table 3.1.



The sample size for the employees was generated through the use of the sample size formulae  $n = \frac{N}{1+N(e)^2}$ ; where n= sample size; N= sample frame and e = error of acceptance, which is (0.1) for

the study (Yamane, 1967). The sample size formulae was employed in order to minimize bias in the sample selection.

$$n = \frac{174}{1 + 174 (0.1)^2}$$

$$= 63.5$$

$$= 64$$

**Table 3. 1: List of Respondents for the Study**

Category of Respondents	Community/Institution/Company	Population	Sample
Residents	Agyapomaa	2008	50
	Adukrom	2129	53
	Asikam	2229	56
Regulators	Mineral Commission	–	1
	Municipal Assembly	–	1
	Environmental Protection Agency	–	1
Employees	Atta Gold, Mining Gold Resource (MGR), MOS Mining	174	64
Managers/Stockholders	Atta Gold, Mining Gold Resource (MGR), MOS Mining	8	3
Grand Total		6548	229

Source: Field Survey (2017).



### 3.5.2 Sampling Techniques

A four-stage sampling processes consisting of purposive, proportionate, accidental and systematic random sampling techniques were employed for the study. Purposive sampling technique is a non-probability sampling technique whereby key elements within the sample frame with unique characteristics that are relevant to the study are selected; this is also known as judgmental sampling technique since selection is based on the discretion of the researcher (Latham, 2008).

During the first stage, purposive sampling technique was employed in selecting the three communities, the criterion for the selection of the communities was based on vibrant activities of small scale mining companies and accessibility and convenience of the communities to the researcher. The same technique was then employed to select the Regional Director of Mineral Commission, the Head of Inspection Unit of Environmental Protection Agency (Eastern Region), the Chairman of the Mining Committee at the Municipal Assembly and the managers of the mining companies. The officers were selected based on their ability to provide useful information that will serve the purpose of the study as a result of their positions.

Proportionate sampling technique was then employed in selecting the number of respondents from each community and each company. For the community, 2.5 percent of the population in each was selected to participate in the study, this was done in order to have fair representation for each community since the populace of the three communities are not the same. While 37 percent of employees in each company was also selected. This was also done in order to ensure a fair representation of each company since the populations of employees in each company differs.



During the third stage, accidental sampling technique was employed to select residents of the communities to participate in the study. The researcher with research assistants roamed throughout the communities (including farms), residents that were chanced upon and were willingly to participate in the study were given the chance. This trend of reaching out to residents continued till the sample size was covered. Accidental sampling technique was employed because it was convenience to the researcher. It also helped in soliciting data from a cross-section of the population in their natural setting, thereby offering the researcher the opportunity of accessing detailed information including observable data.

Systematic random sampling technique was employed in selecting the employees of the mining companies during the fourth stage. Systematic random sampling technique also known as ordinal sampling is the selection of sample from units in sequence separated on lists by the interval of selection. The selection of the sample from the population is made randomly by selecting a beginning and choosing an *n*th name. The first name on the list was randomly selected, and then every second name on the list was included until the total sample size was attained.

The first name selected was based purely on randomization, however the likelihood of the subsequent names on the list selected were based on their numerical position on the list. The availability of the list of employees made systematic random sampling the preferred sampling technique for the study. Also the technique is suitable because it allows the application of statistical devices and treatments of data. Hence error due to sampling were estimated. It also maintains the accuracy in the analysis of results hence findings can lead to generalization to the entire population.



## 3.6 Data Collection

### 3.6.1 Sources of Data

Primary data collected from respondents on the field was the main source of data for the study. Secondary information was also gathered from the Ghana Statistical Service Report (2012), the East Akim Municipal Assembly and the Mineral Commission's Annual Reports.

### 6.2 Method of Data Collection

Questionnaires, key informant interview guide and non-participant observation were the instruments used for the data collection.

#### Questionnaires Administration

Questionnaires were administered to residents of the three communities and the employees of the mining companies in their homes and work places. The questionnaires consisted of five-points-Likert Scale ranking and both closed and open ended questions. Due to the high level of illiteracy rate among the populace, the questionnaires were administered with the help of the researcher and the research assistants. This helped respondents to effectively carry their opinions across, more especially in relation to the open ended questions.

Questionnaires were employed because it saved the time of respondents and the researcher, also respondents were able to carry their views across without any fear due to the anonymity of respondents. This helped in generating more valid data for the analysis.





### ***Key Informant Interview***

Key informants included the local Authorities thus, the Queen Mother of Agyapomaa and the *Amankrado* of Adukrom and Assemblymen of Agyapomaa, Adukrom and Asikam. The Regional Director of Mineral Commission, the Chairman of the Mining Committee of the Municipal Assembly, the Head of Inspection Unit of Environmental Protection Agency (Eastern Region) and Managers of the three mining companies also formed part of the key informants. Using an interview guide, specific questions relating to the objectives of the study were asked.

Interview was conducted for these respondents because of their in-depth knowledge of the mining law and the operations of small scale companies in the municipality. The use of key informant interview was convenience to the researcher, as it saved time and also provided accurate and specific information that was relevant to the study from reliable source.

### ***Non-participant Observation***

The researcher with the team visited the mining sites of the companies unannounced on five different occasions and observed their operations. The various locations where the companies have contributed social services were also visited. The non-participant observation afforded the researcher a first-hand information on the manner in which the miners carry out their activities, this helped in balancing the data collected from the respondents with what was observed, thereby enhancing the validity of the data collected and subsequent analysis.



### 3.7 Data Analysis

Both qualitative and quantitative techniques were employed in the data analysis which were basically descriptive in nature. Data obtained from the field were processed (edited, coded and tabulated) through the use of computer software programme (Statistical Package for the Social Sciences). Content analysis and narratives were employed in analyzing objectives one and some aspects of objective two and three whereas descriptive statistics including mean, standard deviation, frequencies and percentages were applied in the data analysis for objectives two, three and four. Presentation of data was done with the aid of tables for easy comprehension.

### 3.8 Reliability and Validity of Data

Reliability and validity of research is very important in social research. Neuman (2006) define validity as the degree to which a measuring instrument measures what it is designed to measure (Neuman, 2006). Hair *et al.*, (2003), also define validity as the extent to which a construct accurately measures what it is supposed to measure. While reliability is define as the dependability or consistency of the measure of a variable (Neuman, 2004).

In order to test for validity and reliability of the research instrument, a pre-test was conducted by the researcher in September 2016 at Akyem Segyimase, a community similar with similar population and small scale mining activities as the selected communities for the study. The researcher pre-tested the validity of the questionnaires and the tools for the data collection by administering them to few volunteers in the community. After the pre-test, all questions with ambiguity were either modified or removed entirely. The pre-test helped in ensuring validity and reliability of the data gathered.



### **3.8 Limitation of the study**

Ideally, the study should have been carried out across all the mining communities in the country, but due to financial and time constraints, the study was limited to only East Akim Municipality of the Eastern Region and even within the Municipality, due to the same constraints not all residents and employees of the communities and companies were covered. Therefore, the findings from the study cannot be generalized.



## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### 4.1 Introduction

This chapter presents results and discussion of data collected from respondents. The socio-demographic background of respondents, the extent of CSR existence in the organizational policies of SSM companies, the pattern of CSR practices of SSM companies, how CSR practices affects the organisational performance of SSM companies and how CSR practices affects the livelihood of residents of the host communities are analysed in this section of the thesis.

The mining companies' responsibilities towards stakeholders are assessed using Carrol (1991) pyramid Model of CSR. A total of 218 questionnaires comprising 64 employees and 154 for residents of the mining communities were administered, while 11 respondents (the Queen Mother of Agyapomaa, *Amankrado* of Adukrom, the Assemblymen of Agyapomaa, Adukrom and Asikam, the Regional Director of Mineral Commission, the Chairman of the Mining Committee of the Municipal Assembly, the Head of Inspection Unit of Environmental Protection Agency (Eastern Region) and three key informants from the three mining companies) were interviewed.

All questionnaires administered were retrieved and used for the analysis, thereby giving the study 100 percent response rate.

#### 4.2 Socio-demographic Background of Respondents

Gender, educational background, age distribution, household size and number of dependents were the socio-demographic variables analysed for both employees and Residents whereas period of staying in the community was analysed for the Residents only.



#### 4.2.1 Gender Distribution of Respondents

Table 4.1 indicates the gender of respondents for the study. From the survey, male constituted about 77% whereas female constituted about 23% of the employees. Drawing from the survey results, it can be said that majority of the employees of the firms in the Municipality were men even though females were not left out.

From the survey results presented in Table 4.1, it can also be seen that female constituted about 23% whereas male constitutes about 77% of residents. The survey results showed that females slightly outnumbered that of the males. These results reflect the gender distribution of the Municipality according to the Ghana Statistical Service (2012).

**Table 4. 1: Gender of Respondents**

<b>Employees</b>	<b>Frequency</b>	<b>Percent</b>
Male	49	76.6
Female	15	23.4
<b>Sub-total</b>	<b>64</b>	<b>100.0</b>
<b>Residents</b>		
Male	76	49.4
Female	78	50.6
<b>Sub-total</b>	<b>154</b>	<b>100.0</b>
<b>Total</b>	<b>218</b>	<b>100.0</b>

Source: Field Survey (2017).

#### 2.2 Highest Educational Attainments of Respondents

Table 4.2 presents the educational background of respondents. From the survey, it can be seen that about 78% of the employees, either do not have formal education or are basic school leavers, about 9% have secondary or technical education whereas about 13% have tertiary education. Further information revealed employees with tertiary education were predominantly technical staffs such as the geologists and site managers whereas those with secondary or technical education were



drivers and caterers. Most of the employees who were illiterates and those with basic education were predominantly employed as miners or security guards. The finding suggest the mining firms give employment opportunity to many unskilled labour and the less educated in the society. This finding confirms Hilson and Garforth (2013)'s claim that the small scale mining industry offers employment to many uneducated people who may have been turned away by the other sectors of the economy.

From Table 4.2, it can also be seen that significant percent (about 30%) of residents were illiterates, even though majority of residents at least had some level of formal education (Basic to Tertiary about 70%). Respondents with higher educational attainments (Secondary/Technical to Tertiary) forms about 23%. The survey results suggest majority of residents had lower educational qualification and therefore may not fit into the formal sector of the economy. Hence, majority may resort to farming, fishing or menial jobs as a means of survival.

**Table 4. 2: Highest Educational Qualification**

<b>Employees</b>	<b>Frequency</b>	<b>Percent</b>
Uneducated	20	31.3
Basic Education	30	46.9
Secondary/Technical	6	9.4
Tertiary	8	12.5
<b>Sub-total</b>	<b>64</b>	<b>100.0</b>
<b>Residents</b>		
Uneducated	46	29.9
Basic Education	72	46.8
Secondary/Technical	23	14.9
Tertiary	13	8.4
<b>Sub-total</b>	<b>154</b>	<b>100.0</b>
<b>Total</b>	<b>218</b>	<b>100.0</b>

**Source: Field Survey (2017).**



#### **4.2.3 Respondents' Age, Household Size, Dependency and Period of Stay in the Community**

Table 4.3 indicates employees' age, household size and number of dependence. From the survey, it can be seen that the average age of employees of the three firms was about 36 years. The survey results suggest, small scale mining companies in the Municipality employ relatively young people, this may be due to the physically demanding nature of the mining activity. The survey results also suggest the mining companies adhere to the Labour Act prohibiting the engagement of persons below 18 years.

From the survey results, it can also be seen that the average household size of employees was about five. Nonetheless, some respondents' household comprised 10 members, very few had a single person household size. The survey results also showed the average number of dependence on employees are about six persons, even though some had as high as 13 whereas very few had only one dependent.

Evidence from the survey results suggested employees of the small scale mining firms in the Municipality had larger household sizes and that of dependence far above the regional average of about four according to the Ghana Statistical Service (2012). The large household size coupled with the high level of dependency suggested most employees were responsible for other members of the family, indicating additional financial commitments from the employees.

Table 4.3 also indicates age, household size, number of dependence and residents' period of stay in the community. From the Table, it can be seen that the average age of the respondents was about 36 years. Even though the oldest was 82 and the youngest was 13, there existed great variations



between the ages. The average household size of residents was about five, whereas that of dependence was about four. Averagely, respondents had stayed in the community for about 21 years, with the minimum being two years and the maximum being 78 years. Suggesting each respondent had an in-depth knowledge of the CSR activities of the mining companies in the community.

From the survey, it can be seen that even though the household size of residents is slightly above that of the employees, the employees have higher number of dependence. This finding further suggests the economic burden on employees of the mining firms.

**Table 4. 3: Statistics of Age, Household Size and Dependency**

<b>Employees</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Age	64	18.0	61.0	35.641	12.6182
Household Size	64	1.0	10.0	4.500	1.9437
No. of Dependence	64	1.0	13.0	5.641	2.9513
<b>Valid N (listwise)</b>	<b>64</b>				
<b>Residents</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Age	154	13.0	82.0	36.123	13.8424
Household Size	154	1.0	15.0	4.844	2.7985
No. of Dependence	154	.0	17.0	4.247	3.2606
Period of stay in the com.	154	2.0	78.0	21.351	17.5240
<b>Valid N (listwise)</b>	<b>154</b>				

Source: Field Survey (2017).

### 4.3 Existence of CSR in the Organizational Policies of Small Scale Mining Companies

In order to assess the existence of CSR in the organizational policies of the mining companies, three key informants each from the three mining firms were interviewed. Information from the interview revealed that all the mining companies had been operating in the communities at least in





the past six years. The interview also revealed that the oldest company was Atta Gold (12 years), followed by MGR (eight years) and MOS Mining (six years).

Information from the key informants of the companies and field observation revealed that two of the mining companies (MGR and Atta Gold) had valid license from the Mineral Commission to engage in small scale mining, however, MOS Mining has only prospecting license even though the company is actively involved in mining. This suggests the company is operating illegally, nonetheless it is captured in the database of the Municipal Assembly as a registered small scale mining company.

Information from the key informants' interview and field observation also revealed that among the three companies, only MGR has CSR enshrined in its organizational policy. According to a key informant from MGR:

*“As for MGR, we have a policy guiding what we do for the communities in which we operate. Currently our activities are much centered in Adukrom. So what we do is on the 18<sup>th</sup> of November each year, we hold meetings with the chiefs and other opinion leaders. We discuss developmental issues, the chiefs and the opinion leaders represent the community hence through them the company is able to know the needs of the community. The company then selects the most pressing ones and acts on them. That becomes the company social services support to the communities”.*

The key informant revealed that during 18<sup>th</sup> November of every year, the executives of the company meet with the chief and the opinion leaders of Adukrom and discuss the developmental needs of the community. The company then selects the most pressing needs of the community and



makes it a project to execute the following year with a budget allocation. It was also revealed that as part of the company's policy, a dug-out which serves as water source for washing of the gold has been created in order not to destroy the Birim River which serves as a drinking water for the people of the community.

The key informant from MGR also revealed that before siting the company's office at Adukrom, the youth of the community feared the presence of the company and demonstrated against its operations. However ever since the company began the involvement of the opinion leaders and the chief, the agitation from the youth has ceased.

Even though, Atta Gold and MOS Mining do not have CSR incorporated in the companies' organizational policies, both companies perform some activities which makes them socially responsive. Interview with a key informant from Atta Gold revealed the company does not purpose to do a particular project for the employees or the community at any given time. However, whenever there is a felt need in the community the company offers its support in whichever way possible. Apart from the services to the community, the key informant revealed that the company does not mine near water bodies nor washes the gold in any water body.

According to a key informant from Atta Gold, the company has created its own dam out of which the soil is washed to get the gold and the company has also created a tunnel of which the waste water passes without going into any water bodies. The key informant said:

*“We don't have any policy written down, but I can tell you for a fact that Atta Gold, has always maintained its dignity of never destroying the ecosystem.”*



Information from a key informant from MOS Mining revealed the company do not have any CSR issues incorporated in its operations but the company mostly reclaim its old sites and also offer some social services to the community. Here is what a key informant from MOS Mining said:

*“MOS Mining is a very caring and responsible company. Even though the company do not have any particular direction as to how and what we should provide for the communities but whenever the community needs something and the company can afford, we step in. We at times give money to the traditional authorities and also reclaim some old mining sites”.*

Drawing from the information from the key informant interview, it can be argued that the management of MGR is practicing the stakeholder obligation school of thought of CSR, thus the company sees CSR as a strategy for gaining legitimacy in the community by pro-actively involving all interest groups in its decision making (Luo & Bhattacharya, 2006). The use of stakeholders approach to implement CSR activities by MGR may help the company to do business continually in the community without much disruption from the community members since the individual interests of the various stakeholder groups are simultaneously integrated into the company's operation. This will therefore help to ensure the sustainability of the company and that of the community according to the stakeholder theory.



Drawing from the information from the interview, it can also be argued that management of both Atta Gold and MOS Mining are practicing the organisational process school of thought of CSR (Wood, 1991). Hence CSR activities are rolled out by these companies as a reactive measure to situations as and when they occur, this may help the companies to thrive in the communities in the

short term but their activities may not be sustainable since various interest groups will rise to fight for their individual interests at different times thereby disrupting the activities of the companies.

#### **4.4 Pattern of CSR Practices of Small Scale Mining Companies**

In order to assess the pattern of CSR practices of small scale mining companies in the Municipality, Carroll's Pyramid Model of CSR (Carroll, 1991) was used. Four CSR practices namely legal, economic, ethical and philanthropic responsibilities of the companies towards employees, residents and regulators are examined.

##### ***4.1 Legal Responsibilities***

Legal responsibilities deals with company's adherence to the industry's mandatory rules and regulations, what Friedman (1970) refers to as *the rules of the game*. Regularity of SSNIT contribution payment for employees, annual working leave for employees, labour unionization of employees, engagement of underage children and company's honouring of tax obligation are the variables assessed under the legal responsibilities of the company. The legal responsibility entails adherence to the Companies' Code, the Labour Act and the Mining Act of the Republic of Ghana.

##### ***4.1.2 Legal Responsibilities towards Employees and Regulators***

Using a Five-point Likert Scale, respondents were asked to select from a statement, their experience of legal responsibilities available to them as workers of the company. The survey results are presented in Table 4.4. From the survey, it can be seen that the mining companies regularly pay SSNIT contributions for about 20% of respondents whereas no SSNIT contribution was paid for about 80%. Further information revealed that SSNIT contribution was paid only for



technical staffs such as geologists, site managers and some drivers by the mining companies. Evidence from the survey suggested small scale mining companies in East Akim Municipality do not pay SSNIT contribution for non-technical staffs.

Looking at the danger and the physically demanding nature of mining activities, the future of these employees and their dependents are not secured without social security. Since miners are constantly exposed to danger which could maim them for life, thereby making them and their dependents perpetual poor and social liability. The non-adherence to payment of SSNIT contribution for employees by the mining companies is also a breach of the country's constitution which constitute a punitive offence (National Pensions Act, 2008 (Act 766)).

The survey results also showed about 13% of respondents were allowed annual leave whereas about 88% had never been allowed to go on an annual leave. Further information revealed that only top management and technical staffs including geologists were given the chance to enjoy annual leave whereas the rest of the employees work every day throughout the year including public holidays except on Tuesdays for concessions that are at the bank of the Birim River. Since the custom of the communities does not allow anyone to work near the Birim River on Tuesdays.

It is clear from the survey that the mining companies do not allow non-technical staffs to enjoy their right to annual leave. This meant that the companies over task the employees to work, without the needed rest. This will have adverse effects on the physical health of employees in the long run, thereby reducing their work effectiveness and productivity.



Labour unions were not encouraged by small scale mining firms in the Municipality. About 11% of respondents agreed that the companies encourage union formation among labour whereas about 89% disagreed. Further information revealed none of the three companies had a policy openly preventing the formation of labour unions, however any worker who starts the idea of unionization is victimized and consequently sacked and this runs across all the three mining companies. Further information revealed that professionals such as the geologists and the managers/owners are part of the national associations but union formations among non-professional employees of the companies are fiercely resisted by management.

The survey results showed that persons below the working age of 18 years were not engaged by the mining companies. All respondents disagreed that underage persons were engaged by the companies. However, further information revealed that some children go to the mining sites at the wind side of the mining companies to do what is locally known as *kolikoli*, that is to rewash the abandoned soil that had already been washed and gold extracted by the company so as to re-extract the leftover gold in the soil. Children that were caught on the mining sites were usually given corporal punishments if they were very young, however those in their teens were mostly sent to the chief's palace for the traditional authorities to deal with them, even though this had not entirely prevented children on the sites.



The Company Code 1963 (Act 179) and the Minerals and Mining Act 2006 (Act 703) obligate all small scale mining companies to pay corporate tax to the Ghana Revenue Authority and mineral royalties to the local authorities (District Assembly and Traditional Authorities of the mining community). However, interview with the Chairman of the Mining Community of the East Akim

Municipal Assembly revealed small scale mining firms in the Municipality do not honour their tax and royalties obligation. According to the Chairman:

*“The committee that am heading has an oversight responsibility to see to the collection of mineral royalties for the local authority, but the mining companies do not pay, whenever a revenue collector goes to collect tax, the miners drive them away. The only revenue the Municipal Assembly generates from the mining companies is fees charged on excavators and other earth moving machines for the open space these machines occupy in the Municipality. My brother! Even with this, the committee’s task force have to move to the mining sites and collect the fees, which usually result in heated arguments”.*

Information from interview with key informants of the mining companies and field observation from the researcher confirmed the assertion by the Chairman of the Mining Committee. Here is what key informants from MOS Mining, Atta Gold and MGR respectfully said:

*“My Brother, we pay tax to the government and the Municipal Assembly, every year we look at what we have and pay tax accordingly. In fact we pay royalties to the traditional authorities as well (A key informant from Mos Mining).*

*Massa! Let us not talk about tax, what do we get in return for paying tax? For this company, we mostly pay huge royalties to the traditional authorities. We sometimes give money to the Municipal Assembly but we regularly do pay tax to the Ghana Revenue Authority. Sometimes when we go to Oda we pay some moneys to the office there.” (A key informant from Atta Gold).*



*“Oh yes! We pay tax to the GRA, the Municipal Assembly and the office at Oda. We sometimes collect receipts for some of the payments and others we do not collect.”*

(Key informant from MGR).

From the interview, it can be argued that the companies pay mineral royalties to the traditional rulers of the communities in which they operate but they hardly pay any money to the Municipal Assembly in a form of royalties. All the companies claim to pay their corporate taxes annually but one of them was able to show their tax clearance certificate or any document bearing witness of the honouring of the mandatory tax obligation.

Drawing from the survey results presented in Table 4.4 and information from the key informant interview, it can be argued that with the exception to employment of underage children, small scale mining companies in the East Akim Municipality have neglected their legal responsibilities towards stakeholders. This findings validates the findings of earlier studies (Hinton, 2006; Hilson & Garforth, 2013) which said small scale mining companies do not adhere to legal regulations governing the mining industry.



The stakeholder theory says an organization is made up of interconnected group of people who are motivated to participate in organizational activities with different interests. The interest of each of these group of people weighs equally and must have similar priority (Donaldson & Preston, 1995). The neglect of legal responsibilities by the mining companies showed the interests of regulators and employees have not wholly been integrated into the business practices of the mining companies. This may not allow the mining companies to operate sustainably in the



Municipality since the affected stakeholders (regulators and employees) will take the companies to task by compelling the companies to adhere to their interests or withdraw their participation in the business activities. This can lead to revocation of license by regulators and disruption of work by employees which can result in social unrest in the mining communities.

**Table 4. 4: Companies' Legal Responsibilities towards Employees and Regulators**

<b>My SSNIT Contribution is Paid Regularly</b>	<b>Frequency</b>	<b>Percent</b>
Agree	13	20.3
Disagree	51	79.7
<b>Total</b>	<b>64</b>	<b>100.0</b>
<b>I am Allowed Annual Leave</b>		
Agree	8	12.5
Disagree	56	87.5
<b>Total</b>	<b>64</b>	<b>100.0</b>
<b>Labour Unions are Encouraged</b>		
Agree	7	10.9
Disagree	57	89.1
<b>Total</b>	<b>64</b>	<b>100.0</b>
<b>Underage children are engaged and allowed at the mining site by the company</b>		
Disagree	64	100.0
<b>Total</b>	<b>64</b>	<b>100.0</b>

Source: Field Survey (2017).



#### **4.2 Economic Responsibilities**

In Carroll (1991) Pyramid Model of CSR, economic responsibility is seen as the fundamental responsibility of management of every profit making organization since according to Carroll no organization can be corporate socially responsible without making profit for its stockholders. Hence, the economic responsibility of the model is originally meant for stockholders. However, this study argues based on studies from Bank of Ghana (2003); World Bank (2013) that the small

scale mining industry is very profitable and already generating high returns for stockholders, therefore the economic responsibility should be the companies' responsibility towards residents. This study therefore examined the mining companies' economic responsibilities towards residents of the mining communities who bear the direct impact of the activities of the mining firms.

#### **4.4.2.1 Direct Employment Opportunity for Indigenes**

Number of indigenes employed, employees' previous occupation, status of employment, years of engagement with the company and current salary of employees were the variables examined for direct employment opportunity of indigenes of the studied mining communities, the survey results were presented in Table 4.5. The survey results showed majority of the respondents (employees) about 72% hailed from the host communities whereas about 28% were non-indigenes. Majority of the non-indigenes (about 85%) were Ghanaians whereas the rest were foreigners from India, China and Singapore.

Interview with key informants of the companies showed that only MGR had policy on indigene employment. A key informant from MGR said:

*"Oh! For MGR, I don't need to tell you. You can ask anybody from this community, even a child will tell you that we give priority to people from this community as far as employment opportunities are concerned. Per the rules of the company at least, 25% of the labour force must come from our catmint areas in doing so we create employment, reduce poverty. We also reduce our operating cost because those workers from here do not rent, no transport cost. As we speak now, more than 78% of our employees from our catmint communities and I think it is highly recommendable."*



From the interview it was revealed that MGR mandatorily employs at least 25% of its staffs from the communities in which they operate even though the current employees from the communities in which they operate constituted about 78% of MGR's employees.

*“Well, we do not have any policy guiding our recruitment pattern, we give employment to any qualified person in respect of where the person hails from. But naturally a lot of the employees come from this community because the people here are readily available to work”* (Key informant from Atta Gold).

*“As for us, we do not have any policy on recruiting indigenes or non-indigenes. All what we are interested in is to work with good people. So our employees are from different places, some are even from Togo and Burkina Faso. But people from Agyapomaa, Adukrom, Asikam, Pano and Sagyimase are many. They make up majority of our unskilled labour.”* (Key informant from MOS Mining).

Key informants from both Atta Gold and MOS Mining claimed, they do not have any policy giving priority to indigene employment. They claimed the company is open to employing all manner of prospective job seekers provided they are qualified for the job. Nonetheless, both informants claimed majority of the companies' staffs hailed from the communities in which they operate.

The survey results showed prior to respondents' engagement by the mining companies, almost all of them were either engaged in the informal sector of the economy, students or unemployed.



Majority (about 69%) were engaged in primary production (63% peasant crop farming and 6.2% lumbering), unemployed, student and driver constituted about 6% each, geologist and trader constituted about 3% each and about 8% were artisans.

Drawing from the results, it can be argued that small scale mining companies in the East Akim Municipality recruited majority of their employees from the mining communities, thereby giving direct employment and alternative source of livelihood to indigenes. This finding support recent researches by Mzembe (2012) ; Frederiksen (2016) which contended that direct employment given to youth in rural communities by mining companies helps in alleviating poverty and vulnerability in most households.

The survey results showed majority of the respondents (employees) (about 80%) were casual staffs of the studied mining companies whereas about 20% are permanent staffs. Further information revealed about 98% of indigenes employed by the mining companies are not engaged permanently. The survey also showed the average respondent had continuously been working with the mining companies at least in the last three years.

The average respondent (employee) was paid about Gh¢923.0 which is far above the minimum wage of Gh¢264.0, even though there existed very huge disparity between the highest and the lowest paid employee. All respondents (100%) agreed they earned far more income in the current employment than in their previous engagements. Further information also revealed almost all indigene employees of the mining companies are engaged in subsistence crop farming in addition to the current employment, thereby boosting their income and expenditure pattern.



From the results, it can be argued that most employees of small scale mining companies in the East Akim Municipality do not have secured employment future with the mining companies. The casual staff status of majority of the employees indicate the mining companies do not give sustainable employment to employees since their engagements with the companies can be terminated at any given time without any compensation thereby truncating their source of livelihood. However, by engaging workers continuously for more than six months without making them permanent staffs, the mining companies had breached the Labour Act-2003 (Act 651). The stakeholder theory posits that a business acts in a socially responsible manner when its decisions and actions account for and balance diverse stakeholder interests (Adeneye & Ahmed, 2015). The neglect of the rules of labour engagement by the mining companies suggests the decisions and actions of the companies have not accounted for the interest of regulators (Labour Commission) hence by the dictates of the stakeholder theory, small scale mining companies in the Municipality cannot be said to be acting in a corporate socially responsible manner.



**Table 4. 5: Direct Employment Opportunity for Respondents**

<b>Origin of Employees</b>	<b>Frequency</b>	<b>Percent</b>			
Indigene	46	71.9			
Non-indigene	18	28.1			
<b>Sub-total</b>	<b>64</b>	<b>100.0</b>			
<b>Previous Employment</b>					
Farmer	40	62.5			
Unemployed	4	6.3			
Lumber	3	4.6			
Artisan	5	7.8			
Driver	4	6.3			
Student	4	6.3			
Trader	2	3.1			
Geologists	2	3.1			
	<b>64</b>	<b>100.0</b>			
<b>Status of Employment</b>					
Permanent Staff	13	20.3			
Casual Staff	51	79.7			
	<b>64</b>	<b>100.0</b>			
<b>Years &amp; Salary</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Years	64	1.0	7.0	3.094	1.6496
Current salary	64	500.0	4800.0	923.906	760.1182
<b>Valid N (listwise)</b>	<b>64</b>				

Source: Field Survey (2017).

#### 4.2.2 Compensation to Property Owners

Section 94 of the Minerals and Mining Act, 2006 (Act 703) places responsibility on registered small scale mining companies to compensate landowners for the use of their land and destruction of crops. The amount to be compensated is supposed to be determined by the government agency with responsibility for valuation of public lands through consultation with the Minister of Lands and Natural Resource and the Minerals Commission. Based on the above, the study assessed the compensation packages given to property owners. Even though compensation is a legal responsibility of the company since it is backed by law according to the CSR Pyramid Model



(Carroll, 1991), it is treated as economic responsibility in this study. This is because majority of the landowners in the studied communities are farmers who depend on the lands for their livelihood activities. The acquisition of the lands for mining purposes means these farmers are deprived of their livelihood from farming, the quantum of compensation given will therefore determine whether these landowners are better off or otherwise.

Information from key informants of the studied mining companies revealed landowners were paid compensation for the use of every piece of land acquired for mining purpose. The mining companies however, do not see the money paid to landowners as a compensation but rather the sale amount for the lands. According to the key informants, the companies mostly acquire the lands from Family Heads (*Abusuapanyin*), Chiefs and individuals. The informants revealed that based on the size and the nature of crops or property on the land and the negotiating skills of the landowner, a land could be bought between Gh¢1,000.00 and Gh¢60,000.00. According to the key informants, lands with cocoa plantation are the most expensive.

Information from key informants from the studied companies revealed none of the mining companies studied followed the laid down procedure on compensation spelt out by the Minerals and Mining Act 2006 (Act 703). According to the key informants, the companies directly contact landowners through middle men from the community and bargain the amount to be paid with them.

When asked how a parcel of land is acquired for MOS Mining, here is what a key informant had to say:

*“When a piece of land is suspected to have gold deposits, sample of the soil is tested for viability. The company then carries out investigation on the rightful owner of*



*the land. The owner is then contacted through a middleman who must be an indigene. Negotiations then begin between the landowner and the company. The agreed amount is then paid to the landowner through physical cash transaction or by mobile money or in extreme cases at the bank. No property valuator or government's agency is contacted due to bureaucracy and waste of time."*

All the mining companies studied followed the same pattern of land acquisition as MOS Mining. According to the key informants, on very rare occasions do landowners reject the companies' offers, almost all the time the companies were able to secure lands for mining purposes.

Survey results from residents on satisfaction of compensation paid them and the payment of compensation to third parties whose properties are destroyed are presented in Table 4.6. From the survey, it can be seen that almost all respondents (about 99%) agree landowners are paid fair and satisfactory compensation. However, about 50% of respondents generally disagree that third parties whose farms are destroyed by the activities of the mining companies are not compensated whereas about 46% disagree.



Drawing from the survey, it can be argued that the studied mining companies do not forcefully acquire lands for mining purpose but rather through negotiations and payment of satisfactory amounts to landowners. However, properties of third-parties that are destroyed by the activities of the mining companies are mostly not compensated for. Suggesting that whereas landowners may have alternative sources of livelihood through the compensation, the livelihood of innocent third-parties are truncated, thereby making them economically handicapped and worse off. This finding validates Crawford and Botchwey (2016) claim that the activities of small scale mining companies



improve the living conditions of the very few people who are directly affected by it, living majority of people worse off.

Even though landowners may seem to be very satisfied with the compensation given them by the mining companies, the ignoring of property valuator and any formal agency in the compensation process by the mining companies, could suggest landowners are not being given the right compensation for the lands and destruction of crops. Naturally the landowners, who are basically peasant farmers will be satisfied with any compensation as far as the amount exceeds what they earned from the farming activities but that does not mean the compensation is fair. Guided by the SR pyramid model, the studied mining companies cannot be said to be operating in economically sustainable manner, neither can they be said to be economic socially responsive to the mining communities since their activities do not take into consideration the interests of most third-parties whose crops are destroyed by their activities, thereby making them economically worse off.

**Table 4. 6: Monetary Compensation**

<b>Satisfactory Compensation is Paid to Landowners</b>	<b>Frequency</b>	<b>Percent</b>
Agree	133	86.4
Somewhat agree	19	12.3
Somewhat disagree	2	1.3
<b>Total</b>	<b>154</b>	<b>100.0</b>
<b>Compensation is Paid to Third Parties Whose Lands are Destroyed</b>		
Agree	41	26.6
Somewhat agree	30	19.5
Neutral	6	3.9
Somewhat disagree	54	35.1
Disagree	23	14.9
<b>Total</b>	<b>154</b>	<b>100.0</b>

**Source: Field survey (2017).**



#### **4.4.3 Ethical Responsibilities**

Ethical responsibilities overlap all the CSR practices of companies, it actually refers to moral issues that goes beyond legal, economic and philanthropic responsibilities (Carroll, 1991). Ethical responsibilities of companies complement social, economic and philanthropic responsibilities. Ethical responsibilities of companies are more or less the same as legal responsibilities in Africa even though in America and Europe there exists much distinctions (Visser *et al.*, 2007). The studied companies' ethical responsibilities towards employees, regulators and the mining communities were examined.

##### **4.3.1 Ethical Responsibilities towards Employees and Regulators**

employees' safety and conditions of service were the ethical responsibilities examined. Abuse of employees, daily health and safety tips and existence of injury benefits for employees were the variables examined for the companies' responsibilities towards employees and regulators (Table 7). From the survey, it can be seen that almost all respondents (about 91%) completely disagree that they were usually abused in any form whereas only few (about 9%) somewhat agree. Further information also revealed employees were largely treated equally and given equal opportunity without discrimination. However, safety of the employees' at the work place and condition of service needed much more to be desired. Almost all respondents (about 91%) completely disagree that they go through daily health and safety tips before working each day. With the exception of technical staffs, no employee of the three companies had ever gone for training or had ever been oriented on how to work safely at the site. Further information from respondents showed only few employees (mostly technical staffs) were given personal safety working equipment like crash



helmets, overall coats, wellington boots, and gloves. Majority of the employees who did the actual digging and washing of the soil were mostly ignored.

About 92% of respondents generally disagreed the companies had benefits for employees who got injured in the course of duty whereas about 8% completely agreed. Respondents claimed injury benefits existed for only technical staffs of the companies but not the non-professionals. According to the respondents, the companies take care of all medical expenses caused by an accident at the site and also pay the normal wage or salary of the employee when on admission. However, when an employee becomes disabled and cuts off from work, the companies do not give them any package except when the victim is a technical staff. Also, employees of the mining companies were mostly not given any orientation on how to protect water bodies and the environment. Only about 17% of respondents completely agreed they were given daily orientation on how to protect the environment and water bodies whereas about 83% completely disagreed.

Drawing from the survey, it can be argued that employees of the studied mining companies do not have good working condition and as such their lives were under constant threat due to the blatant non-use of safety practices by the mining companies. Mining activity is one of the most physically demanding and injury prone businesses in the world (Zolnikov, 2012), the non-use of safety equipment by most of the employees suggest the mining companies are very likely to record high work place accidents. The non-existence of injury benefits for employees of the small scale mining companies suggests most workers who got injured through accidents face the danger of becoming economically handicapped and social liability due to the non-payment of injury compensation nor any benefit by the companies.



Guided by the stakeholder theory, the companies cannot be said to be acting in ethically socially responsible manner towards employees, this is because the companies have failed to provide employees with basic safety working equipment and healthy working environment, thereby putting the lives of employees and their dependence at risk. The findings confirmed earlier study by Brew *et al.*, (2015) which opines that small scale miners do not work in safe environment.

**Table 4. 7: Companies' Ethical Responsibilities towards Employees**

<b>Employees are Usually Abused</b>	<b>Frequency</b>	<b>Percent</b>
Somewhat agree	6	9.4
Disagree	58	90.6
<b>Total</b>	<b>64</b>	<b>100.0</b>
<b>Employees go through Daily Health and Safety tips before work Commences</b>		
Agree	6	9.4
Disagree	58	90.6
<b>Total</b>	<b>64</b>	<b>100.0</b>
<b>Existence of Injury Benefits</b>		
Agree	5	7.8
Somewhat disagree	15	23.4
Disagree	44	68.7
<b>Total</b>	<b>64</b>	<b>100.0</b>
<b>Employees are Given Daily Tips on How to Protect Water Bodies &amp; Env't.</b>		
Somewhat agree	11	17.2
Disagree	53	82.8
<b>Total</b>	<b>64</b>	<b>100.0</b>

Source: Field survey (2017).

#### 4.4.3.2 Ethical Responsibilities towards Residents and Regulators

Using a five-point Likert Scale, respondents were asked to select the experience of the companies' practices on land reclamation, observance of the communities' norms and conventions, mercury and other toxic chemicals disposal and destruction of water bodies. The survey results are



presented in Table 4.8. The mining companies generally do not cover the used pits nor reclaimed old sites. About 18% of respondents generally agreed old sites are reclaimed whereas about 82% generally disagreed. During a field visit to the old sites of the studied mining companies by the researcher, many abandoned uncovered deep mining pits were discovered. Plate 1 is a picture of a very deep abandoned mining pit left uncovered two years ago at Agyapomaa which had collected water and had become a dead trap in which many livestock were killed and mosquitoes were bred. However, during a field visit to Asikam by the researcher, a bulldozer was seen refilling an abandoned old mining pit (Plate 2).

During an interview with the Assemblyman of Adukrom, the Assemblyman said:

*“Did you see the many uncovered deep pits near our homes? They were left uncovered by galamsey people. The concessions belong to MGR and MOS Mining. What they do is to cede portions of the concession to these boys for a fee. After the boys are done, they just go without covering the pits. Why will they cover after paying money to the licensed companies? So we put the blame on the mining companies.”*

*To address the issue of uncovered mining pits in the community, I have constituted a taskforce and have included the illegal miners and the legal miners as well. The companies that owned the concessions provide bulldozers for covering the pits whereas the illegal miners provide money for fueling the bulldozers and feeding the operators. We went to the Okyehene’s Palace last week, to sign an agreement with ROCHA an NGO willing to initiate teak and bamboo planting on the filled lands. That is why you could see bulldozers filling the land.”*



The survey showed, the studied mining companies very much observed the traditions and norms of the mining communities. About 89% of respondents completely agreed that the companies did not flout the local rules and regulations governing the communities whereas about 5% somewhat disagreed, about 6% neither agreed nor disagreed. Further information from interview with the *Amankrado* of Adukrom and the Queen Mother of Agyapomaa revealed the employees of the studied companies that have concessions closer to the bank of the Birim River do not work on Tuesdays since it is forbidden for anyone to work near the Birim River on Tuesdays in the whole of the Akyem Traditional Area. Again it was revealed that all the employees of the studied companies do not work on sacred days for the communities such as *Memininda Dapaas*, *Kwaesidaes* and *Wukudaes*. The two traditional leaders also revealed that the employees of the studied mining companies (both indigenes and non-indigenes) observed the rights associated with the Ohum Festival, the festival for the Akyems. According to the traditional leaders, the mining companies also allow the traditional authorities to perform rituals and pacify the gods of the land anytime fatal accident occur on the mining sites. During the interview, the Queen Mother said:

*“Even though none of the owners of the mining companies is an indigene of our towns, they believe so much in our traditional values. We do not have any problem with the companies as far as respect for our tradition is concerned”.*



The survey revealed that mercury and other toxic chemicals were exposed into the environment by the companies. It was revealed that four out of every five persons above the age of 10 interviewed in the communities had knowledge on mercury usage whereas three out of every five persons living in the communities above the age of 15 had ever seen or used mercury. From the

results, it can be seen that about 89% of respondents agreed that the mining companies exposed mercury into the environment, about 14% disagreed whereas about 6% neither agreed nor disagreed.

The survey also revealed that the mining companies generally did not have regard for environmental conservation and protection of water bodies. Water bodies and the environment were gradually being destroyed through the activities of the mining companies. A field visit to Adukrom during the survey by the researcher discovered employees of MOS Mining doing mining on the Birim River, this is captured in Plate 3. From the results about 79% of respondents agreed that the mining companies were destroying water bodies and the environment whereas about 21% generally disagreed.

An interview with the Assemblymen of Adukrom and Agyapomaa revealed that MGR and Atta Gold do not destroy water bodies even though they all destroy lands. According to the Assemblymen, the two mining companies do not mine near water bodies neither do they wash gold in the Birim River nor any other because they had created their own dam for mining purpose. However, the Assemblyman of Adukrom revealed that the water bodies were being destroyed by the youth of the community whom the mining companies had ceded portion of their concession to and MOS Mining. A visit to MGR's site at Adukrom and Atta Gold's at Agyapomaa confirmed the information provided by the Assemblymen.

Drawing from the findings, it can be argued that the studied mining companies generally cause destruction to the environment through mercury exposure, non-reclamation of abandoned old sites



and destruction of water bodies. The excess exposure of mercury into the environment and the uncovering of old pits pose health risks to the people of the communities. The killings of livestock by the abandoned pits also suggest some residents were deprived of their means of livelihood. The destruction of the environment and the water bodies can have adverse effects on the economic and environmental sustainability of the communities in the long run since the residents are mostly farmers and depend on their lands which are not reclaimed for survival. It can also be argued that by ceding their concessions to illegal miners for a fee, the mining companies were encouraging illegal mining which is outlawed by the Mineral and Mining Act 2006 (Act 703).

However, adherence to the traditions and norms of the communities suggests the companies were socially responsible towards the culture of the host communities. This suggests companies can have a very cordial relationship with the custodians of the lands on which they mine. This may help to minimize conflicts between the residents of the communities and the mining companies, thereby encouraging social cohesion and cultural promotion.

The companies can be said to have been fulfilling their ethical responsibilities towards the traditional authorities of the host communities, however they cannot be judged to be ethically or socially responsible towards all stakeholders due to the disregard for the environment which is of interest to regulators (EPA) and the communities as well.





**Table 4. 8: Companies' Ethical Responsibilities towards Residents and Regulators**

<b>Old Sites are Reclaimed</b>	<b>Frequency</b>	<b>Percent</b>
Agree	12	7.8
Somewhat agree	15	9.7
Somewhat disagree	21	13.6
Disagree	106	68.8
	<b>154</b>	<b>100.0</b>
<b>The Company Observes Norms and Conventions of the Community</b>		
Agree	48	31.2
Somewhat agree	89	57.8
Neutral	9	5.8
Somewhat disagree	8	5.2
	<b>154</b>	<b>100.0</b>
<b>Mercury and Other Toxic Chemicals are Exposed into the environment by the Co.</b>		
Agree	102	66.2
Somewhat agree	21	13.6
Neutral	9	5.8
Somewhat disagree	18	11.7
Disagree	4	2.6
	<b>154</b>	<b>100.0</b>
<b>River Bodies are Destroyed by the Company</b>		
Agree	109	70.8
Somewhat agree	12	7.8
Somewhat disagree	10	6.5
Disagree	23	14.9
<b>Total</b>	<b>154</b>	<b>100.0</b>

Source: Field Survey (2017).



**Plate 4. 1: An Uncovered Abandoned Old Mining Pit at Agyapomaa**



**Field Survey (2017).**

**Plate 4. 2: A Bulldozer Refilling Old Mining Pit at Asikam**



**Field Survey (2017).**



**Plate 4. 3: An Ongoing Mining in the Birim River at Adukrom**



field Survey (2017).

#### *4.4 Philanthropic Responsibilities*

The mining companies' charitable responsibilities towards the welfare of the host communities are referred to as philanthropic responsibilities. In order to assess the companies' philanthropic responsibilities toward the host communities, the Assemblymen of the three communities, the Queen Mother of Agyapomaa and the *Amankrado* of Adukrom and key informants from the companies were interviewed. The companies' support towards the host communities in Education, water, healthcare, culture and economic development were examined.



Interview with key informants from the companies revealed all the mining companies perform some philanthropic responsibilities towards the communities. With the exception of MGR, which had a yearly plan of projects to undertake for the communities, the companies mostly put up

projects that are requested by the leaders of the communities. Information from key informants from MOS Mining and Atta Gold revealed the two companies do not initiate any philanthropic project in the communities on their own until the leadership of the communities tasked them to do so. On the other hand, MGR had a well-established CSR policy with the responsibility of giving the community at least a needed project in every year.

#### **4.4.1 Educational Support**

Information from key informants from the mining companies, Assemblymen of the communities and field observation by the researcher revealed that the companies support the educational infrastructure needs of the communities. With the exception of Agyapomaa that had never benefited from any educational support from the studied mining companies, both Adukrom and Asikam have had some benefits.

*“Hey! MGR, don’t go there. The company has been very instrumental in helping this community. Go across the street, you will see a school, the first block was built by Ofofu Ampofo, His mother is from this community but the ongoing construction is fully funded by MGR”.* (Excerpt from interview with the Assemblyman of Adukrom).

*“We have two schools in this community, the Methodist School and that of the Local Authority’s. As we are speaking, there is an ongoing renovation works at the Methodist J.H.S, I am spearheading but the funds are from MOS Mining. Despite their destructive tendencies they are very helpful”.* (Excerpt from interview with Assemblyman of Asikam).





*AS for Agyapomaa, as if we have wronged these companies, they make a lot of money here but just look at the only school we have, Blaa, is it not a death trap? The companies have done nothing about our educational infrastructure, apuu. (Excerpt from interview with Assemblyman of Agyapomaa).*

Plates 4.4 and 4.5 are the Asikam Methodist J.H.S under renovation and the ongoing three unit classroom block at Adukrom. The interview also revealed apart from the ongoing projects, the mining companies have not contributed in any form to the educational needs of the host communities.

**Plate 4. 4: An Ongoing Construction of a Three Unit Classroom Block at Adukrom**



**Field Survey (2017).**



**Plate 4. 5: An Ongoing Classroom Block Renovation at Asikam**



field Survey (2017).

### *Water and Healthcare*

Interview with the Assemblymen of the communities revealed that the companies had greatly contributed to the provision of drinking water for Adukrom and Asikam except Agyapomaa. According to the Assemblyman of Adukrom, MGR has drilled five mechanized boreholes for the community. The Assemblyman said before massive gold mining began in the community, theirim River was their main source of drinking water but the river was destroyed by some illegal miners from Obuasi who were mining in the river. The Assemblyman said before MGR was allowed to operate in the community, the company was tasked to provide the community with at least a borehole of which the company delivered. The company then progressively provided each of the five sections of the community with a mechanized borehole within a period of seven years. According to the Assemblyman the community had no problem with water. However, none of the



mining companies had contributed towards healthcare delivery in the community even though the supposed CHIPS compound in the community operates in an abandoned store.

According to the Assemblyman of Asikam, water had not been a major problem for the community because the stream that serves as a source of drinking water had not been destroyed. Also a philanthropist from the community drilled three mechanized boreholes for the community.

However, the Unit Committee tasked MOS Mining to provide a borehole for Odumase-Asikam, a settlement under Asikam which was cut off from accessing drinking water due to the activities of the company. The company however, obliged and provided the community with one borehole. However, the Assemblyman said no mining company operating in the community had provided any support to the healthcare needs of the community. Plates 4.6 and 4.7 were the boreholes drilled for the communities to corroborate the information from the interview.

**Plate 4. 6: Mechanized Borehole Provided at Adukrom**



**Field Survey (2017).**



**Plate 4. 7: Borehole Provided at Odumase-Asikam**



field Survey (2017).

### *Cultural Support*

The results showed that the mining companies greatly support the chieftaincy institution of the host communities by donating to cultural festivities, renovating and building chiefs' palaces, among others. All the respondents interviewed unanimously said the mining companies have been supporting the communities to improve their cultural heritage.

*The gold people, are very generous. Look, just two days ago my elders and I were given ₵6000.0 to support the Ohum Festival coming next week. Thank them for us* (Excerpt from interview with the Queen Mother of Agyapomaa)

Together the Queen Mother of Agyapomaa, the Amankrado of Adukrom and the Assemblyman of Asikam who doubles as a Chief's Linguist claim the mining companies mostly donates moneys, rams and drinks to the Traditional Authorities of the communities during the Ohum Festival. The





Traditional Leaders also said the mining companies occasionally provide them with funds for repairs at their palaces. According to the Amankrado of Adukrom, a new storey building palace for the chief of the community was under construction by MGR. Plate 4.8 is the yet to be completed palace at Adukrom to corroborate the information from the interview.

**Plate 4. 8: An Ongoing Construction of Chief's Palace at Adukrom**



field Survey (2017).

*conomic Support*

he communities had not benefited much in economic infrastructure from the mining companies.

interview with the Assemblymen of the three communities revealed that Agyapomaa is the only community that has benefited from economic infrastructure from the mining companies. Atta Gold

constructed a market for the community two years ago and also organized market women from Accra to directly buy the farm produce from the community according to the Assemblyman of Agyapomaa. He said:

*“Apart from that kind gesture from Atta Gold, none of the mining companies has bothered to help us to earn a living other than to depend on the miners”*



Plate 4.9 is the market constructed at Agyapomaa by Atta Gold two years ago to corroborate the information from the Assemblyman.

**Plate 4. 9: A Market Constructed at Agyapomaa**



**Field Survey (2017).**

can be argued that all the companies are very mindful of their philanthropic responsibilities to the host communities this finding confirms recent study by (Adeiza-Farouk *et al.*, 2013) which contends that philanthropic responsibilities are extremely popular among managers. The findings also sharply contradict the assertion that CSR practices has shifted from mainly philanthropic practices to capacity building and environmental protection (Forstater *et al.*, 2002; Robbins & Coulter, 2007). The focus of the companies' philanthropic responsibilities were largely geared towards support for the traditional authorities, provision of water and support for education. The support for the traditional authorities is very understandable, since the traditional authorities control the communities by defining the social norms. The support for the traditional authorities



will create a cordial relationship between the mining companies and the traditional leaders, thereby affording the mining companies the social license to operate continually in the communities.

#### 4.5 CSR Practices and Organisational Performance of Small Scale Mining Companies

Literature has shown that a company's engagement in CSR practices accrue to the benefits of the organization (Luo & Bhattacharya, 2006). In line with this assertion, the study investigated the effects of CSR practices on the organizational performances of the companies through interview with key informants from the mining companies.

Information from the interview revealed that the mining companies largely benefit positively from their engagement in CSR activities. According to the key informants, provision of social supports to the host communities (philanthropic responsibilities) were the only practices considered by the companies as CSR practices. It was revealed that the type of social supports to the communities were largely determined by the needs of the communities and the benefit of the social support to the mining companies. Ease of license renewal, ease of getting concession to buy, reduction of conflict between the companies and the host communities were the main benefits the companies derive from their engagement in CSR activities.

When asked whether MGR's involvement in CSR practices has effects on the company's performance, here is what a key informant said:

*“Provision of social support to host communities are very important to the profitability of MGR. In fact that is what we know as our responsibility to the communities. When we started operation in Adukrom, the youth resisted and demonstrated against the company because they wanted the company to spell out*



*what would be done for the community. When we started drilling boreholes and providing other supports, the agitations stopped, the company is now able to work without any disruption from the youth. When renewing a license, the Mineral Commission, the EPA and Water Resource see to what the company has done for the community, a company that is able to help the community mostly get the license renewed with ease. MGR always gets its license renewed at ease partly due to our CSR initiatives, the only problem we have is the Mineral Commission and the EPA has only one office located at Akyem Oda for the whole Region, this makes it difficult for them to inspect or see what we do for the communities. The Chief and his people are the owners of the land, if we do not do anything for them, they can refuse to sell their lands to us and we cannot also forcefully take the land from them. However, the communities at times make outrageous demands that places much economic burden on the company”.*

. key informant from Atta Gold expressed similar opinion as that of MGR’s. He said:

*“The people of the communities see the company as rich but very destructive and insensitive towards their plights. The company try to solve some of the proposed problems of the communities so as to erase the perception that the company is insensitive. Usually the company do not give any support until the community requests, when this happens the people easily recognize what the company has done. These help the company to buy concessions without much difficulty from the landowners. In fact, you cannot do gold business without having the chiefs and the opinion leaders of the community supporting you and you can only have their*



*support if you are able to offer what they demand. However, at times what is demanded is outrageous and cause great financial burden to the company but in order to be in business in the community the company has to provide.*

A key informant from MOS Mining also reiterated similar opinion as that of MGR and Atta Gold.

Here is what the key informant said:

*“You know as a mining company, we work in the communities with the community members. We at least ensure that things that we destroy like the water, we give the affected communities an alternative which is a borehole. When we do this, the community members do not disturb the company. No police or court issues from the affected residents. Most of the people we work with are residents of the community, if we provide the community with any social support, our employees will also benefit”.*

Drawing from the interview, it can be argued that the studied mining companies' involvement in CSR activities has benefited the companies positively through gaining good public reputation from the communities thereby offering the companies the social license to operate in the communities

without conflicts and disturbances from residents, even though CSR activities increased the operational costs of the companies. This finding validates the study of Porter and Kramer (2006)

who contended that most managers use CSR as a defensive strategy to avoid conflict with an organisation's external stakeholders. It can also be argued that the main motive of CSR involvement of the companies was to get social acceptance and corporation from the host communities but not necessarily to see to the social wellbeing of the communities. This may



explain why capacity building and environmental protection which will endure to a long term benefit of the communities had not been the keen focus of the companies' CSR activities.

#### **4.6 Effects of CSR Practices on the Livelihood of Residents**

Occupational status, savings pattern, health status and cost of living and the rate of social vices before and after the mining companies began operations in the communities were the variables investigated in examining the effects of the companies' operations on the communities.

##### ***6.1 Current and Past Income Generation Activities and Savings Pattern of Residents***

Respondents were asked of their occupation and yearly savings pattern before the mining companies started working in the communities and now. The results are presented in Table 4.9. The survey showed before the mining companies began working in the communities, almost all respondents (about 83%) were engaged in subsistence crop farming, few were engaged in other means of livelihood including trading (about 5%), masonry, carpentry, basket weaving, painting and lumbering (about 5%), nursing and teaching (about 1%), whereas about 6% were unemployed. The results showed there had been great mobility of labour from mainly the agriculture sector to other sectors of the economy in the mining communities. Whereas about 83% of respondents were previously engaged in farming, the figure had reduced by about 43%. Majority of the respondents (about 56%) were now engaged in trading and businesses other than farming or lumbering. Many of the respondents who were formally into agriculture or were unemployed were now engaged in motorcycle transport business locally known as *okada* whereas most of the traders were food joint and drinking spot operators.





Further information, revealed respondents' income level currently was far higher than when the companies were not operating in the communities. Majority of the respondents observed they had recorded high patronage for foodstuffs and *okada* business due to the presence of the mining companies. The savings pattern of respondents had also increased by more than 300%. Before the mining companies began working in the communities, respondents were saving an average amount of about Gh¢139.00 per year but currently respondents were saving an average amount of about Gh¢463.00 per year, an indication that household income has risen.

Drawing from the results, it can be argued that the presence of the mining companies in the communities had affected the communities positively by presenting many business opportunities to residents thereby affording residents the opportunity to diversify the dependence on agriculture and also increased household income and investment. These suggested majority of residents were able to afford better nutrition and healthcare now than before the companies began operation. The findings gave support to Ulrike *et al.*, (2012) study, which revealed that presence of mining companies alleviate poverty in mining communities by offering business opportunities to residents of mining communities.



**Table 4. 9: Respondents' Occupational Status and Yearly Savings**

<b>Previous Occupation</b>	<b>Frequency</b>		<b>Percent</b>		
Farmer	127		82.5		
Trader	8		5.2		
Unemployed	9		5.8		
Student	1		.6		
Civil servant	2		1.3		
Other	7		4.5		
<b>Total</b>	<b>154</b>		<b>100.0</b>		
<b>Current Occupation</b>					
Farmer	62		40.3		
Civil Servant	2		1.3		
Trader	38		24.7		
Student	2		1.3		
Unemployed	2		1.3		
Other	48		31.2		
<b>Total</b>	<b>154</b>		<b>100.0</b>		
<b>Savings Pattern</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Before the Co.	154	.0	5000.0	139.305	512.1437
Current sav.	154	.0	14000.0	463.987	1346.2249
<b>Valid N (listwise)</b>	<b>154</b>				

Source: Field Survey (2017).

### 6.2 Socio-economic Situation of Residents

conomic growth alone cannot determine societal wellbeing according to the World Bank (2008).

In line with this assertion, the studied investigated the social vices rate, the cost of living and existence of water and airborne diseases in the studied mining communities.



Respondents generally agreed that the crime rate in the communities especially that of stealing had increased far more than when the companies were not around. Information from majority of respondents showed that smoking of Indian hemp and sniffing of a kind of tobacco locally known as *asraa* were very common among the youth of the communities. According to many of the respondents, the employees of the mining companies were mostly smokers who had taught the youth of the communities, the smoking habits of the youth usually lead to quarrels and fighting



among themselves which at times become fatal and detrimental to the peace of the communities. Majority of the respondents also claimed teenage pregnancy has been very high since the mining companies began operations. The survey revealed most of the young girls are impregnated by the employees of the mining companies and the *okada* riders in the Community.

*We are happy the companies are working here but they have spoiled our children, recently we have become as common as bread, teenage pregnancy, prostitution and stealing of foodstuffs are the order of the day. It is painful that our children at times fight and maim themselves as a result of hard drugs but that is the price we are paying for having gold in our land* (Qualitative information from a female respondent in Agyapomaa).

Majority of the respondents (about 63%) agreed that the presence of the mining companies had led to high cost of living in the communities, about 21% disagreed whereas about 16% thought the cost of living had remained same as before. Many of the respondents claimed although they got higher income due to high patronage of their trade, things were very much expensive in the communities especially that of accommodation and foodstuffs nonetheless almost all the respondents claimed they were better-off now than when the companies were not in operation.

However, the results showed the presence of the companies in the communities had not led to increase in water and airborne diseases prevalence in the communities, the prevalence had generally remained same. About 66% of respondents believed the prevalence of water and airborne diseases had remained same, about 28% agreed there had been a rise whereas about 6% generally think there had been a decline since the companies started working in the communities.



Drawing from the survey results, it can be concluded that the presence of the mining companies had heightened the cost of living and the crime rate in the mining communities even though the presence of the mining companies have not help to spread water or airborne diseases in the mining communities. The findings confirmed recent study by Ulrike *et al.*, (2012) which contended that although the presence of mining companies create economic opportunities, they come with a socio-cultural costs.

**able 4. 10: Socio-economic Conditions of Mining Communities**

**There is Increased Social Vices in the Community**

Agree	107	69.5
Somewhat agree	24	15.6
Neutral	9	5.8
Somewhat disagree	7	4.5
Disagree	7	4.5
<b>Total</b>	<b>154</b>	<b>100.0</b>

**The Presence of the Company has Led to High Cost of Living in the Community**

Agree	77	50.0
Somewhat agree	20	13.0
Neutral	25	16.2
Somewhat disagree	13	8.4
Disagree	19	12.3
<b>Total</b>	<b>154</b>	<b>100.0</b>

**Water and Airborne Diseases have increased**

Agree	33	21.4
Somewhat agree	10	6.5
Neutral	101	65.6
Somewhat disagree	1	.6
Disagree	9	5.8
<b>Total</b>	<b>154</b>	<b>100.0</b>

**Source: Field Survey (2017).**



## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter brings finality to the study. The chapter summarizes the major findings emanating from the analysis of the available data, presents conclusions drawn based on the findings and recommendations made thereafter. The study assessed corporate social responsibility and sustainability adherence by small scale mining companies in East Akim Municipality. Employing descriptive cross-sectional survey design through questionnaire administration and interview, 29 respondents participated in the study. The study further investigated the extent of CSR existence in the organizational policies of small scale mining companies, the pattern of CSR practices of small scale mining companies, the extent of CSR practices effects on the organisational performance of small scale mining companies and the extent of CSR practices effects on the livelihood of residents of the East Akim Municipality

#### 5.2 Summary of Major Findings

In terms of the existence of CSR in the organizational policies of small scale mining companies, the study revealed that all the mining companies incorporate some level of CSR activities in their operations, even though only one company had written document guiding its CSR practices and had been consistent with its CSR delivery to stakeholders. The study further revealed that one of the companies was operating with prospecting license even though the company had been operating in the community for six years and had been captured in the database of the Municipal Assembly as having valid operating license.



With regard to the pattern of CSR practices, the study discovered that the focus of the mining companies were on social supports to the host communities (philanthropic responsibilities). Monetary and non-monetary donation to traditional authorities, provision of boreholes and renovation and building of classroom blocks were the social supports rendered by the companies. The study further revealed that the companies do not adhere to their legal responsibilities. The mining companies do not pay social security for majority of their staffs, they also do not allow them to enjoy annual leave and employees were restricted from forming labour unions. The companies do not pay corporate tax to the government, they also do not pay royalties to the Municipal Assembly. However, the study discovered that the companies do not employ minors.

The study further discovered that the companies had neglected their ethical responsibilities to stakeholders. Almost all employees contended they were not working in safe environment and also majority of employees opined that they were not provided with personal safety gadgets. The study also discovered the companies do not cover old mining pits, they also cede portions of their concessions to illegal miners for a fee; also the companies exposed mercury into the environment and destroy lands. The study revealed that one of the companies mined in water bodies, however the companies obeyed the norms and traditions of the host communities.



The study discovered that the mining companies were largely responsive to the local economy of the host communities. Although only one of the companies had policy on employment of indigenes from host communities, majority of the companies' employees were from the host communities. The study discovered majority of the indigenes employed by the companies were either peasant farmers or unemployed. The study further discovered that the employees of the companies were

paid far higher than the national minimum wage, however almost all the indigenes employed were casual staffs even though the average staff had worked continuously with the mining companies for more than two years. The study revealed that the companies compensated landowners for the use of their lands for mining even though the amount received by landowners depended on their negotiation skills since valuers or government agencies in charge of land valuation are ignored by the mining companies in the compensation process.

With respect to how CSR practices affects the organisational performance of small scale mining companies, the study revealed that the companies had largely benefited positively from their involvement in CSR activities. The study revealed that the companies that were corporate socially responsible had gained good reputation from the public and have had the support of host communities and regulators. The study further revealed that conflicts between the mining companies and the host communities had been eliminated due to the companies' CSR involvement thereby giving the companies the space to work without disruption. The study also revealed that by adhering to CSR practices, the companies were able to renew their operating license, avoid litigation and also acquire land much easier. It was further revealed that the companies' social supports to the host communities were largely determined by the needs of the communities and the benefit that the companies were derive from the social intervention. The study also revealed CSR activities greatly increased the operating cost of the mining companies due to increasing demand from host communities.

With respect to the effects of the mining companies' CSR practices on the livelihood of residents, the study discovered that the presence of the mining companies had opened up the host



communities to various businesses including *okada* transport business, food joints, drinking spots and general trading. The study revealed that almost all respondents were engaged in farming prior to the coming of the mining companies, however majority of the respondents are into different businesses other than farming currently. It was further revealed that respondents were earning higher income and are able to save 300% far more than when the companies were not operating in the communities. The study also revealed the host communities had been experiencing increased crime rate, teenage pregnancy and high cost of living since the companies began operation. However, the presence of the companies has not led to increase in water and airborne diseases.

### 3 Conclusions

Based on the major findings from the study, it is concluded that small scale mining companies in the East Akim Municipality were involved in some CSR practices, even though the companies largely do not have written strategy guiding their CSR practices, thereby making the nature of their CSR practices erratic, non-voluntary and unsustainable since they are mostly compelled to roll out CSR activities due to pressure from the mining communities and other stakeholders. It can therefore be argued that majority of the small scale mining companies operating in the Municipality are corporate socially responsive but not corporate socially responsible and are therefore not sustainable.




The study can also conclude that small scale mining companies in the East Akim Municipality are only concerned with their philanthropic responsibilities to host communities in order to gain acceptance and support from the mining communities, hence the companies had neglected their legal and ethical responsibilities to employees and regulators. The study concludes that small scale

mining companies in the East Akim Municipality do not fulfill the interest of all stakeholders and can therefore be described as being largely corporate socially irresponsible of which their activities largely do not lead to sustainability. The study also concludes that there is very weak coordination between regulators of the small scale mining sector, contributing to weak monitoring and supervision thereby making the small scale mining companies operate with impunity leading to flouting of regulations governing the sector.

The study however concludes, the presence of small scale mining companies in the East Akim Municipality have opened up the Municipality for businesses thereby offering residents the opportunity to diversify their livelihood activities from mainly dependence on agriculture to trade and commerce. This has increased household income and savings pattern, making residence economically better-off than before the companies began operation. Proper regulation, supervision and monitoring of the small scale mining sector will ensure companies operate taking in to consideration laws governing the sector, thereby leading to environmental, economic and socio-cultural sustainability of both the mining companies and the mining communities.

#### **4 Recommendations**



Based on the findings and the conclusions drawn, the following recommendations are made in order to address the issues discovered so as make small scale mining companies more corporate socially responsible in order to ensure sustainable mining:

##### ***5.4.1 Decentralisation of Mining License***

In order to facilitate easy access to licensing and renewal of small scale mining companies' permit, the Government through a Legislative Instrument (LI) should give the District Assemblies the

power to process, issue and renew mining license to small scale miners with the Mineral Commission given an oversight responsibility. By doing this, many miners who refuse to go for operating permit because of delay in issuance and bureaucracy will be encouraged to do so, this will help better regulate the sector since the District Assemblies will be able to effectively monitor to know which company is operating illegally and which one is operating legally.

#### ***4.2 Coordination among Government Agencies***

In order to ensure effective monitoring and supervision of the small scale mining sector, the Mineral Commission, the Environmental Protection Agency and the District Assemblies must work hand-in-hand. The Mineral Commission must inspect proposed site of potential miners together with the Environmental Protection Agency and ascertain how they will operate before issuing them with operating license. The Mineral Commission must also furnish the District Assemblies, the Environmental Protection Agency and the Labour Commission with a list of licensed small scale companies in each District at least on yearly basis. This will help the agencies to monitor the site of these companies in order to ensure they properly adhere to the Minerals and Mining Laws governing their activities. Again, the Labour Commission will be able to create a database for the number of registered companies in each district and the profile of their employees, this will help the commission to effectively monitor the working conditions of employees of the small scale mining sector.

#### ***5.4.3 Establishment of Regulatory Agencies in Every Mining District***

In order to ensure effective monitoring and supervision, the government should establish office for the Mineral Commission and the Environmental Protection Agency at least in every mining





district. Due to the centralization of the offices of the Mineral Commission and the EPA, the inspectorate unit of these bodies are not able to effectively monitor the activities of small scale mining companies at their sites in order to ascertain how they are operating. This has afforded the miners the space to flout the mining laws. By siting an office at least in each mining district, officers of these agencies can regularly monitor the activities of these mining companies. This will help to ensure licenses of companies that do not adhere to legal responsibilities are revoked.

#### ***4.4 Collaboration between Stakeholders***

In order to ensure that the mining companies become socially responsible, the Mineral Commission, the Environmental Protection Agency, the Municipal Assemblies and the traditional leaders of the mining communities must team up. The traditional authorities with the support of the District Assemblies, Mineral Commission and EPA should form a community Watchdog with the sole responsibility of daily monitoring of the activities of the mining companies and giving feedback to regulators. Companies that are behaving in corporate socially responsive manner should be rewarded whereas those not operating in corporate socially responsive manner be punished. This will further ensure sanity in the sector.

#### ***4.5 Intensify Public Education on Minerals and Mining and Labour Laws of Ghana***

The National Commission for Civic Education, The Mineral Commission, The Environmental Protection Agency, District Assemblies and Non-governmental Organisations must wage intensive public education on the labour laws and the mining laws of the country. The general public should be educated to know their rights as an employee of a company, how their grievances could be addressed this will help employees to demand better conditions of service. The public especially



residents of mining communities, employees and management of mining companies should be educated to know the laws governing small scale companies, their operation and compensation process. This will help create awareness among landowners and employees on the appropriate way to demand compensation from small scale mining companies, thereby curtailing cheating from the mining companies. The education should be carried out through the mass media including drama on televisions and on radios and through traditional means such as announcement at village centers, chiefs' palaces and durbar grounds.

#### ***4.6 Mining Companies must have Written Document of CSR strategies***

To ensure that mining communities are not rendered worse-off by the activities of small scale mining companies, every mining company must have a documented CSR activity to be carried out in the host communities. The companies must discuss with cross-section of residents on the community's most pressing needs and prioritise them so as to roll them as the companies' CSR initiative for the community. This will ensure that the interest of residents of host communities are catered for by mining companies. A written document of CSR strategies of small scale mining companies should also be a requirement for issuing license to small scale mining firms.



#### ***4.7 Replication of the Methodology and Model Adopted in Subsequent CSR Studies***

The methodology and model used in this study should be replicated in subsequent CSR studies in the multinational mining companies so as to see if similar results or otherwise could be obtained in order to affirm or debunk the overwhelming studies pointing to multinational companies being corporate socially responsible.

## REFERENCES

Ackerman, R.W. (1975). *The Social Challenge to Business*. Cambridge, MA: Harvard University Press.

Addo-Fening, R. (1976). *The Gold Mining Industry in Akyem Abuakwa c.1850-1910*. Sankofa: Legon J. Arch. And Hist. Stud. 2: 33-37

deiza-Farouk, M. & Hassan, S. U. (2013). Determinants of Corporate Social Responsibilities in the Nigerian listed Deposit Money Banks. *International Journal of Economics, Business and Finance*, Vol. 1, No. 10, pp: 342-351

deneye, Y. B., & Ahmed, M., (2015). Corporate Social Responsibility and Company Performance. *Journal of Business Studies Quarterly*, Volume 7, Number 1 pp 151-166.

nankwaha, R. K., & Anim-Sackey, C., (2003). Strategies for Sustainable Development of the Small-Scale Gold and Diamond Mining Industry of Ghana. *Elsevier Resources Policy 29 (2003) 131–138 downloaded from [www.elsevier.com/locate/resourpol](http://www.elsevier.com/locate/resourpol) 28/03/2017*

ndrew, J. S., (2003). Potential Application of Mediation to Land Use Conflicts in Small-Scale Mining. *Journal of Cleaner Production*, vol. 11, no. 2, pp. 117-30.

nin T. E., (1990). *Gold in Ghana*. London, UK: Selwyn Publishers Ltd, 1990.

ryee, B. N. A., Ntibery, B. K., & Atorkui, E., (2003). Trends in the Small-Scale Mining of Precious Minerals in Ghana: A Perspective on Its Environmental Impact. *Journal of Cleaner Production*, vol. 11, no. 2, pp. 131-40.

Aryee, J. R. A., (2001). *Lessons from the Mining Sector*. University of Ghana.

Asaad, A. (2010). The role of brand equity in the effects of corporate social responsibility on consumer loyalty. Unpublished master's diss., Universiti Sains Malaysia, Malaysia.



- Aubynn, A. (2009). Sustainable Solution or a Marriage of Inconvenience? The Coexistence of Large-Scale Mining and Artisanal and Small-Scale Mining on the Abooso Goldfields Concession in Western Ghana. *Resources Policy*, vol. 34, No. 1–2, pp. 64-70.
- Banerjee, S. B., (2001). Corporate Citizenship and Indigenous Stakeholders: Exploring a New Dynamic of Organizational Stakeholder Relationships'. *The Journal of Corporate Citizenship*. Vol. 1, pp. 39-55.
- ebbington, J., Larrinaga, C., & Moneva, J. M. (2008). Corporate Social Reporting and Reputation Risk Management. *Accounting, Auditing & Accountability Journal*, 21(3), 337–361
- hattacharya, C. B. & Sen, S. (2004). Doing Better at Doing Good: When, Why and How Consumers Responds to Corporate Social Initiatives. *California Management Review*, Vol.47 No.1, pp 9-24.
- hattacherjee, A. (2012). *Social Science Research: Principles, Methods, and Practices, 2nd edition*. University of South Florida, Tampa, Florida, USA.
- lowfield, M. & Frynas, J.G. (2005). Setting New Agendas: Critical Perspectives on Corporate Social Responsibility in the Developing World. *International Affairs*, 81(3), 499-513.
- oateng, D. O, Codjoe, N. Y. F., & Ofori, J., (2014). Impact of illegal small scale mining (Galamsey) on cocoa production in Atiwa district of Ghana. *International Journal of Advanced Agricultural Research*. Vol. 2, pp. 89-99.
- oon, E. K., & Ababio, F., (2009). *Corporate Social Responsibility in Ghana: Lessons from the Mining Sector*. 'IAIA09 Conference Proceedings', Impact Assessment and Human Well-Being 29th Annual Conference of the International Association for Impact Assessment, 16-22 May 2009, Accra International Conference Center, Accra, Ghana.



- Botin, J.A. (2009). *Sustainable Management of Mining Operations*; Society for Mining, Metallurgy, and Exploration (SME): Littleton, CO, USA, 2009.
- Bowen, H. R. (1953). *Social Responsibilities of the Businessman*. New York: Harper & Row.
- Brew, Y., Junwu, C., & Addae-Boateng, S. (2015). Corporate Social Responsibility Activities of Mining Companies: The Views of the Local Communities in Ghana. *American Journal of Industrial and Business Management*, pp 457-465.
- Brown, T. J. & Dacin, P. A. (1997). The Company and the Product: Corporate Associations and Consumer Product Responses?' *Journal of Marketing* 61 (January): 68-84.
- Brundtland Commission. (1987). *World Commission on Environment and Development, Our common future*. Oxford: University Press.
- Carroll, A. (2004), Managing Ethically With Global Stakeholders: A Present and Future Challenge. *Academy of Management Executive*, Vol 18 (2).
- Carroll, A. B. (1979). A Three-dimensional Conceptual Model of Corporate Social Performance. In: *Academy of Management Review*, Vol. 4, 4, pp. 497-505.
- Carroll, A. B. (1991). The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders. *Business Horizons*, Vol. 34, pp. 39-48.
- Carroll, A. B. (1999). Corporate Social Responsibility Evolution of a Definitional Construct. *Business & Society*, 38(3), 268-295.
- Carroll, A. B., & Buchholtz, M. (2003). *Business and Society: Ethics and Stakeholder Management*. 5<sup>th</sup> Ed. Australia: Thomson South-Western.
- Carroll, A. B., & Shabana, K. M., (2010). The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice. *International Journal of Management Reviews*.



Chan, L.Y., (2014). Corporate Social Responsibility of Multinational Corporations. Global Honors Theses. Paper 18.

Chuhan-Pole, P., Dabalen, A., Kotsadam, A., Sanoh, A., & Tolonen, A. (2015). *The Local Socioeconomic Effects of Gold Mining: Evidence from Ghana*. World Bank Group, Policy Research Working Paper 7250.

Ciegis, R, Ramanauskiene, J. & Martinkus, B., (2009). The Concept of Sustainable Development and its Use for Sustainability Scenarios. *Inzinerine Ekonomika-Engineering Economics*.

Clarkson, M. B. E., (1995). A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance? *Academy of management review* 20 (1): 92-117.

Collins, N. & Lawson, L. (2014). *Investigating Approaches to Working with Artisanal and Small-scale Miners: A Compendium of Strategies and Reports from the Field*. International Mining for Development Centre Action Research Report.

Cook, N., Sarver, E., & Leigh-Anne, K. (2015). Putting Corporate Social Responsibility to Work in Mining Communities: Exploring Community Needs for Central Appalachian Wastewater Treatment. Download from [www.mdpi.com/journal/resources](http://www.mdpi.com/journal/resources) 26/03/17

Cragg, W., & Greenbaum, A., (2002). Reasoning About Responsibilities; Mining Company Managers On What Stakeholders Owe. *Journal of Business Ethics* 39 (3); 335

Crane, A., Maten, D. & Spence, L., (2008). Corporate social responsibility: Readings and Cases in a Global Context, 3rd edn. Routledge, New York.

Crawford, G., & Botchwey, G., (2016). *Conflict, Collusion and Corruption in Small-Scale Gold Mining in Ghana: Chinese Miners and the State*. Global Governance/Politics, Climate Justice & Agrarian/Social Justice: Linkages and Challenges. An International Colloquium 4-5 February 2016. Colloquium Paper No. 48.



Creswell, W., J., (2014) 'Research Design: Qualitative, Quantitative and Mixed Methods Approaches' 4th ed. SAGE Publications, Inc. 2455 Teller Road, Thousand Oaks, California 91320.

D'Souza, K. P. C. J., (2007). *Artisanal and Poor Mining in Africa: The Poor Relations*. Geological Society, London. Special Publication 250; 95-129

Dahlsrud, A. (2006). How Corporate Social Responsibility is Defined? An Analysis of 37 Definitions. *Corporate Social Responsibility and Environmental Management*, Vol.15, pp.1-13.

Franko, D., Goldberg, J. S., Goldberg, S. R., & Grant, R. (2008). Corporate Social Responsibility: The United States vs. Europe. *The Journal of Corporate Accounting and Finance*, pp. 41-47.

Dasgupta, S., & Ghatge, A. (2015). Understanding the Theoretical Convergence of Corporate Social Responsibility Reporting in Practice: A Thematic analysis of Automobile Websites. *International Journal of Business and Social Science Vol. 6, No. 2*.

Davis, K. (1960). Can business afford to ignore social responsibilities? *California Management Review*, 2, 70-76.

Dixon, T., (2014). Corporate Social Responsibility, the Triple Bottom Line, Standardization and Brand Management in Houston, Texas. *Master thesis in Sustainable Development at Uppsala University*, No. 207, pp. 34.

Doane, D., & MacGillivray, A., (2001). Economic Sustainability-the business of staying in business, New Economics Foundation, London. Accessed from [http://www.projectsigma.co.uk/RnDStreams/RD\\_economic\\_sustain.pdf](http://www.projectsigma.co.uk/RnDStreams/RD_economic_sustain.pdf) 13/07/2017



Dyllick, T., & Hockerts, K., (2002). Beyond the case for corporate sustainability. *Bus Strat Environ* pp. 130–141

East Akim Municipal Assembly (2014). *Municipal Profile and D-Plan (2014 - 2017)*. Municipal Planning Coordinating Unit.

East Akim Municipal Assembly (2015). *About East Akim Municipal*, East Akim Municipal Assembly, <[http://www.eastakim.ghanadistricts.gov.gh/?Arrow=atd&\\_=76&sa=3444](http://www.eastakim.ghanadistricts.gov.gh/?Arrow=atd&_=76&sa=3444)>.

ner, E., & Baumgartner, R. J. (2006). The relationship between Sustainable Development and Corporate Social Responsibility. *Corporate Responsibility Research Conference 2006, 4th-5th September, Dublin*. Available at <http://www.crrconference.org>

kington, J. (1997). *Cannibals with Forks – Triple Bottom Line of 21st Century Business*. Stoney Creek, CT: New Society Publishers.

kington, J. (2004). *Enter the Triple Bottom Line*. In A. Henriques, & J. Richardson (Eds.). *The Triple Bottom Line: Does It All Add Up?* London: Earthscan.

kington, J., & Hailes, J. (1997). *The Green Consumer Guide*. London: Victor Gollancz.

nas, R., (2015). *The Concept of Sustainable Development: Definition and Defining Principles*.

stein, M. (2008). *Making Sustainability Work: Best Practices in Managing and Measuring Corporate Social, Environmental, and Economic Impacts*. San Francisco: Greenleaf.

uropean Commission (2001). *Promoting a European Framework for Corporate Social Responsibilities*. Brussels.

Fontaine, M. (2013). Corporate Social Responsibility and Sustainability: The New Bottom Line? *International Journal of Business and Social Science* Vol. 4, No. 4.





Forstater, M., macdonald, J., & Raynard, P. (2002). Business and Poverty: Bridging the Gap. Paper presented at the Prince of Wales *International Business Forum*, London.

Frederiksen, T. (2016). Corporate Social Responsibility and Political Settlements in the Mining Sector in Ghana, Zambia and Peru. ESID Working Paper No. 74. Manchester, UK: The University Of Manchester. Accessed from [www.effective-states.org](http://www.effective-states.org) 29/03/17.

Freeman, R. E. (1984). *Strategic Management. A Stakeholder-Approach*. Pitman Publishing, Boston.

Freeman, R. E. (2010). *Strategic management: A stakeholder approach*. New York: Cambridge University Press.

Freeman, R. E., Wicks, A. C., & Parmar, B., (2004) Stakeholder Theory and The Corporate Objective Revisited. *Organization Science* 15(3):364-369.

Friedman, M. (1970). The Social Responsibility of Business is to Increase its Profits. *The New York Times Magazine*, pp. 32-33, 122, 124, 126.

Friedman, M., (1963), *Capitalism and Freedom*. University of Chicago Press, Chicago.

Frynas, J. G. (2005). The false promise of corporate social responsibility: Evidence from Multinational oil companies. *International Affairs*, 81, 581–598.

Gajigo, O., Mutambatsere, E., & Mdiaye, G., (2012). *Gold Mining in Africa: Maximizing Economic Returns for Countries*. African Development Bank, Abidjan, Côte d'Ivoire.

Guan, A. (2006). The Impact of Public Scrutiny on Corporate Philanthropy. *Journal of Business Ethics*, Vol. 69 Iss.3, pp.217-236.

Gbireh A. B., Cobblah A. & Suglo R. S. (2007). Analysis of the Trends of Gold Mining in Ghana. *Ghana Mining Journal*, Vol. 9, pp. 38 – 49.



Ghana Chamber of Mines (2013). *Performance of the Mining Industry in 2013* Ghana Chamber of Mines, Accra, Ghana. Accessed from [http://ghanachamberofmines.org/media/publications/Performance\\_of\\_the\\_Mining\\_Industry\\_in\\_2013.pdf](http://ghanachamberofmines.org/media/publications/Performance_of_the_Mining_Industry_in_2013.pdf).

Ghana Statistical Service (2014). *2010 Population & Housing Census, District Analytical Report-East Akim Municipal*. Ghana Statistical Service Accra.

Ghana Statistical Service. (2012). *2010 Population & Housing Census; Summary report of final results*. Accra, Ghana.

Giacomo, B., & Giacomo, M., (2010). The Effects of Stakeholders' Prioritization on Corporate Financial Performance: An Empirical Investigation. *International Journal of Management*, Vol. 27, NO.3, Part 1.

Griffin, T., & Spring, N. (2001). Doing Good is Good for Business. *Communication World*, 18(6), 23–27.

Locking, S. R., (2005). *The History of Ghana*. Westport Conn: Greenwood Press

Loel, P. (2010). Triple Bottom Line Reporting: An analytical approach for corporate sustainability. *Journal of Finance, Accounting, and Management*, 1(1), 27-42.

Goldprices (2015). Available online: <http://www.goldprices.com/historical-gold-prices.htm>

(Accessed on 7/ 7/ 2015).

Mutierrez, R., & Jones, A., (2007). Effects of Corporate Social Responsibility in Latin American

Communities; a Comparison of Experiences. Download from SRN;

<https://ssrn.com/abstract=1018680> 13/04/16

Hart, S., & Milstein, M. (2003). Creating Sustainable Value. *Academy of Management Executive*, 17 (12)56-69



Hasebur, R. M., (2014). Corporate Social Responsibility for Brand Image and Customer Satisfaction: Assessment of Grameen phone user's in Bangladesh. *International Journal of Research Studies in Management*. Vol. 3 No.1, pp. 41-49

Hayek, F. A., (1969). *The Corporation in a Democratic Society: In Whose Interest ought it and Will It Be Run?* In Ansoff H Ed. Business Strategy. Harmondsworth; Penguin Books

Heinen, J.C., (1994). *Automating the Process of HRIS Selection: Employment Relations Today*. Willey and Sons.

Henriques, I. & Sadorsky, P. (1999). The Relationship between Environmental Commitment and Managerial Perceptions of Stakeholder Importance? *Academy of Management Journal* 42 (1): 89-99.

Kentschel, T., Hruschka, F., & Priester, M. (2002). *Global Report on Artisanal & Small-Scale Mining No. 70*. International Institute for Environment and Development (IIED).

Kentschel, T., Hruschka, F., & Priester, M., (2003). *Artisanal and Small-Scale Mining Challenges and Opportunities*. International Institute for Environment and Development and WBCSD. Russell Press Ltd, Nottingham, UK.

Wilson, G & Banchirigah, S. M., (2009). Are Alternative Livelihood Projects Alleviating Poverty in Mining Communities? Experiences from Ghana. *The Journal of Development Studies*, vol. 45, No. 2, pp. 172-96.

Wilson, G & Garforth, C., (2013). Everyone Now is Concentrating on the Mining: Drivers and Implications of Rural Economic Transition in the Eastern Region of Ghana. *Journal of Development Studies*, vol. 49, no. 3, pp. 348-64.



Hilson, G, Hilson, C. J., & Pardie, S. (2007). Improving Awareness of Mercury Pollution in Small-Scale Gold Mining Communities: Challenges and Ways Forward In Rural Ghana. *Environmental Research*, vol. 103, no. 2, pp. 275-87.

Hilson, G., & mcquilken, J., (2014). Four Decades of Support for Artisanal and Small-Scale Mining in Sub-Saharan Africa: A Critical Review. *The Extractive Industries and Society*, no.3.

Hilson, G., (2001). *A Contextual Review of the Ghanaian Small-scale Mining Industry*. International Institute for Environment and Development (IIED) and World Business Council for Sustainable Development (WBCSD), London.

Hilson, G., (2010). 'Once a Miner, Always A Miner': Poverty and Livelihood Diversification in Akwatia, Ghana. *Journal of Rural Studies*, vol. 26, no. 3, pp. 296-307.

Inton, J., (2006). *Communities and small scale mining: an integrated review for development planning. Report to the World Bank, Communities and Small-Scale Mining (CASM) Initiative, Washington DC* accessed from <http://www.eisourcebook.org/cms/June%202013/CASM,%20an%20Integrated%20Review%20for%20Development%20Planning.pdf>.

Muschka, F., & Echavarria, C. (2011). Rock Solid Chances for Responsible Artisanal Mining, *ARM Series on Responsible ASM No. 3, Alliance for Responsible Mining*.

<http://www.foei.org/mining/index.html> accessed 8/ 10/ 2004.

[Http://www.oxfam.org.au/campaigns/mining/index.html](http://www.oxfam.org.au/campaigns/mining/index.html) accessed on 8/ 10/ 2004.

Hurst, N. E., (2004). Corporate Ethics, Governance and Social Responsibility: Comparing European Business Practices to those in the United States, 2004. Retrieved on 16/12/16 from [https://www.scu.edu/ethics/publications/submitted/hurst/ comparative\\_study.pdf](https://www.scu.edu/ethics/publications/submitted/hurst/ comparative_study.pdf)



Hutchful, E., (2002). *Ghana's Adjustment Experience: The Paradox of Reform*. Oxford: Oxford University Press for UNRISD.

Ivancevich, P., Lorenzi, S. S., & Crosby, P. (1997). *Management Quality and Competitiveness*, (2nd ed.) Chicago. Irwin.

Jamali, D. & Mirshak, R. (2007). Corporate Social Responsibility (CSR): Theory and Practice in a Developing Country Context. *Journal of Business Ethics* (72) pp. 243-262.

Jamali, D., Zanhour, M., & Keshishian, T. (2010). Peculiar Strengths and Relational Attributes of SMES in the Context of CSR. *Journal of Business Ethics*, 87(3):355-377.

Jenkins, H. M., (2004). Corporate Social Responsibility and the Mining Industry Conflicts and Constructs, *Corporate Social Responsibility and Environmental Management*, 11: 23-34.

Jenkins, H., & Yakovleva, N. (2006). Corporate Social Responsibility in the Mining Industry: Exploring Trends in Social and Environmental Disclosure. *J. Cleaner Product* 14, 271–284.

Jones, T. M. (1995). Instrumental Stakeholder Theory: A Synthesis of Ethics and Economics? *Academy of Management Review* 20 (2): 404-437.

Juholin, E., (2004). For Business or the Good of All. A Finish Approach to Corporate Social Responsibility, Corporate Governance. *The International Journal of Business in Society*, Vol. 4 Issue 3 Pp.20-31

Kanji, R. & Agrawal, R. (2016). Models of Corporate Social Responsibility: Comparison, Evolution and Convergence. *IIM Kozhikode Society & Management Review*. Vol. 5(2) pp.141–155

Kapelus, P., (2002). Mining, Corporate Social Responsibility and the Community: The Case of Rio Tinto, Richards Bay Minerals and the Mbonambi. *Journal of Business Ethics* 39(3); 275-296



Karnani A, (2014). Corporate Social Responsibility Does Not Avert The Tragedy of the Commons: Case Study of Coca Cola-India. *Economics, Management and Financial Markets Volume 9, Issue 3, Pp 11-33*

Katrinli, A., Gunay, G., & Biresselioglu, M. (2011). *The Business Review*, Cambridge Hollywood: Summer 2011. Vol. 17, Iss. 1; pg. 164, 8 pgs.

Kok, P., van der Wiele, T., mckenna, R. & Brown, A. (2001). A Corporate Social Responsibility Audit within a Quality Management Framework. *Journal of Business Ethics*, 31, 285-297.

PMG Global Mining Institute (2014). *Ghana Country mining guide*. KPMG International Cooperative.

ahiri-Dutt, K., (2004). Informality in Mineral Resource Management in Asia: Raising Questions Relating To Community Economies and Sustainable Development. *Natural Resources Forum*, vol. 28, no. 2, pp. 123-32.

antos, G. P., (2001). The Boundaries of Strategic Corporate Social Responsibility. *Journal of Consumer Marketing* 18(7), 595– 632. [Htp://dx.doi.org/10.1108/07363760110410281](http://dx.doi.org/10.1108/07363760110410281)

atham, B., (2008). Sampling: What is it? Quantitative Research Methods' *Spring Publication* 2008, England.

ins, C., & Horwitz, E., (2007). Sustainability in the Mining Sector. Fundação Brasileira para o Desenvolvimento Sustentável Rua Engenheiro Álvaro Niemeyer, 76 CEP 22610-180 Rio de Janeiro - RJ – Brasil.

Logsdon, J. M., & Wood, J. D. (2002). Business citizenship: From domestic to global level of analysis. *Business Ethics Quarterly*, 12(2), 155–87.

Lungu, J., & Shikwe, A., (2007). *Corporate Social Responsibility Practices in Small-scale Mining on the Copperbelt*. NIZA Briefing Paper 2007 pp. 1-12.



Luo, X. & Bhattacharyc, C.B. (2006). Corporate Social Responsibility, Customer Satisfaction, and Market Value. *Journal of Marketing*. Oct 2006, Vol. 70 Issue 4, pp 1-18.

Madrigal, R., & Boush, D. M., (2008). Social Responsibility as a Unique of Brand Personality and Consumers' Willingness to Reward. *Psychology and Marketing* 25 (6): 538-564

Mahajan, P., (2011). Corporate Social Responsibility: A new wave of Corporate Governance.

Mallo, S. J., (2012). Mitigating the Activities of Artisanal and Small-Scale Miners in Africa: Challenges for Engineering and Technological Institutions. *International Journal of Modern Engineering Research (IJMER) Vol.2, Issue.6, pp-4714-4725*

laon, F., Lindgreen, A., Swaen, V., (2010).Organizational Stages and Cultural Phases: A Critical Review and A Consolidative Model of Corporate Social Responsibility Development, *International Journal of Management Reviews*, 12(1), pp 20–38

Iatei, M., & Voica, M. C. (2013). Social Responsibility in the Financial and Banking Sector. *Economic Insights – Trends and Challenges*. Vol. II, Issue LXV pp 115-123

atten, D., & Moon, J., (2004). Corporate Social Responsibility Education in Europe. *Journal of Business Ethics*, Vol. 54 (4), p. 323 – 337.

Iatten, D., Crane, A., & Chapple, W. (2003). Behind the Mask: Revealing the True Face of Corporate Citizenship. *Journal of Business Ethics*, 45(1-2), 109-120.

Icquire, J. W. (1963). *Business and Society*. Mc Graw-Hill, New York

Icquilken, J., (2013). *Ghana, Galamsey and Gender: The Potential for Artisanal and Small Scale Mining to Create Wealth and Alleviate Poverty in the Region?* Coffey International Ltd. Accessed from [http://blog.coffey.com/post/48667474688/ghanagalamsey-and-gender-the-potential-for#disqus\\_thread](http://blog.coffey.com/post/48667474688/ghanagalamsey-and-gender-the-potential-for#disqus_thread) 23/04/2013.



Mewilliams, A., & Siegel, D., (2001). Corporate Social Responsibility and Financial Performance: Correlation or Misspecification? *Strategic Management Journal*, Vol.21 No.5, pp.603-9.

Meadows, D. H. (1972). *The Limits to Growth: A Report for the Club of Rome's Project on the Predicament of Mankind*. Earth Island Limited, London.

Meehan, J., Meehan, K., & Richards, A. (2006). Corporate Social Responsibility: 3C-SR Model. *International Journal of Social Economics*, 33(5–6), 386–398.

éndez, J. D. M., & Rodríguez, R. S., (2016). A profile of corporate social responsibility for mining companies present in the Santurban Moorland, Santander, Colombia. *Global Ecology and Conservation* vol.6 pp. 25–35

Iensah, V., (2009). *The Role of Corporate Social Responsibility on Sustainable Development: A Case Study of the mining community in the Obuasi Municipality*. Unpublished Master thesis submitted to University of Agder.

Iihaye, J., (2013). Small-Scale Mining Operations and Their Effects in the East Akim Municipal Assembly. Unpublished Thesis Submitted to the University of Ghana, Legon.

ine (2011). *The Game has Changed. Review of Global Trends in the Mining Industry*. PWC.

Minerals & Mining Act (2006). *The Seven Hundred and Third Act of the Parliament of the Republic of Ghana*. Retrieved 13/4/17 from <http://www.sdsg.org/wp-content>.

Minerals Commission (1987). *Regularization of Small-Scale Gold and Diamond Mining in Ghana*.

Mining, Minerals, and Sustainable Development (2002). *Breaking New Ground: The Report of the Mining, Minerals, and Sustainable Development Project, May 2002*, London. Earthscan.





Mocan, M., Rus, S., Draghici, A., Ivascu, L., & Turi, A. (2015). Impact of Corporate Social Responsibility Practices on the Banking Industry in Romania. *Procedia Economics and Finance* 23 pp. 712 – 716 by Elsevier B.V.

Montiel, I. & Delgado-Ceballos, J. (2014). Defining and Measuring Corporate Sustainability: Are We There Yet? *Organization & Environment*, Vol. 27(2) 113–139.

Moon, J. (2007). The Contribution of Corporate Social Responsibility to Sustainable Development, *Sustainable Development*. Vol.15, p.296 – 306

Iutti, D., Yakovleva, N., Vazquez-Brust, D., & Di Marco, M. H. (2012). Corporate Social Responsibility in the Mining Industry: Perspectives from Stakeholder Groups in Argentina. *Resources Policy*, 37(2), 212-222.

Iwaipopo, R., Mutagwaba, W., & Nyange, D., (2004). *Increasing the Contribution of Artisanal and Small-Scale Mining to Poverty Reduction in Tanzania, Based on an Analysis of Mining Livelihoods in Misungwi and Geita Districts, Mwanza Region*. A report prepared for the Department for International Development (UK) October 2004.

zembe, A. (2012). *Corporate Social Responsibility in Malawi: Case Studies of the Mining and Agricultural Industries*. Doctoral thesis, The University of Huddersfield.

aqvi, S. M. M. R., Ishtiaq, M., Nousheen, K., & Ali, M. (2013). Impact of Corporate Social Responsibility on Brand image in Different fmcgs of Pakistan. *Interdisciplinary Journal of Contemporary Research in Business*. Vol. 5, No.1 pp.80-93

Neuman W. L. (2006). *Social Science Research Methods; Qualitative and Quantitative Approaches*. 6<sup>th</sup>ed. Newyork: Person Education, Inc., pp.312.

Norman, W. & Macdonald, C., (2007). Rescuing the Baby from the Triple-Bottom-Line Bathwater: A Reply to Pava. *Business Ethics Quarterly*, Volume 17, Issue 1



Nyame, F. K., & Grant, J. A., (2014). The Political Economy of Transitory Mining in Ghana: Understanding the Trajectories, Triumphs, and Tribulations of Artisanal and Small-Scale Operators. *The Extractive Industries and Society*, vol. 1, no. 1, pp. 75-85.

Okan, T., Peker, I., & Demirelli, S., (2015). A Corporate Social Responsibility Framework for Mining Sector Using Analytic Network Process. *International Business Research*; Vol. 8, No. 12; 2015 ISSN 1913-9004 E-ISSN 1913-9012

nbeni, J. M., (2015). Potential of Artisanal and Small-scale Gold Mines for Economic Development in Tanzania: A review. *Journal of Geology and Mining Research*. Vol. 7(2) pp11-18.

rganisation for Economic Corporation and Development (2012). Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas – Supplement on Gold, Second Edition download from [www.oecd.org/fr/daf/inv/mne/mining.htm](http://www.oecd.org/fr/daf/inv/mne/mining.htm) 14/06/2016.

wusu, E. E., & Dwomoh, G., (2012). The Impact of Illegal Mining on the Ghanaian Youth: Evidence from Kwaebibirem District in Ghana. *Research on Humanities and Social Sciences* Vol.2, No.6.

wusu-Mensah, E. (2015). *The Assessment of Corporate Social Responsibility (CSR) and Sustainable Development of AngloGold Ashanti (Ghana) A Case Study of The Obuasi Municipality*. An Unpublished Thesis Submitted to the Department of Accounting and Finance, Kwame Nkrumah University of Science and Technology.

Peck, P., & Sinding, K. (2003). Environmental and Social Disclosure and Data Richness in the Mining Industry. *Business Strategy and the Environment*, 12(3), 131-146.



Persaud, A., & Telmer, K., (2015). *Developing Baseline Estimates of Mercury Use in Artisanal and Small-Scale Gold Mining Communities: A Practical Guide (Version 1.0)*, Artisanal Gold Council. Victoria, BC. ISBN 978-0-9939459-4-6.

Pinkston, T. S., & Carroll, A. B. (1996). A Retrospective Examination of CSR Orientations: Have They Changed? *Journal of Business Ethics*, 15(2), 199–206.

Pohle, G., & Hittner, J., (2008). Attaining Sustainable Growth through Corporate Social Responsibility. IBM Corporation, Somers, NY 10589 U.S.A.

Porter, M. E., & Kramer, M. R. (2006). Strategy and Society: The Link between Competitive Advantage and Corporate Social Responsibility. *Harvard Business Review*, 84, 78–92.

Prisewaterhousecoopers (2013). *The Direct Economic Impact of Gold*. London.

Quiroga, E. R., (2002). The Case of Artisanal Mining in Bolivia: Local Participatory Development and Mining Investment Opportunities, *Natural Resources Forum* 26: 127-139.

Schermacher, W. (1999). Indicators, Green Accounting and Environment Statistics-Information Requirements for Sustainable Development. *International Statistics Review* (67), 339-354.

Saman, M., Lim, W., & Nair, S. (2012). Impact of Corporate Social Responsibility on Consumer Loyalty. *Kajian Malaysia*, 30(2), 71-93

Schneidhardt, F. L., Stavins, R. N., & Vietor, R. H. K., (2008). Corporate Social Responsibility through an Economic Lens. *JEL Classification: M140, L510, Q500*

Republic of Ghana, Minerals and Mining Act, 2006 (Act 703).

Rios-Osorio, L. A., Lobato, M. O., & Del Castillo, X. A. (2005). Debates on Sustainable Development: Towards a Holistic View of Reality. *Environment Development and Sustainability* (7), 501-518.



Rivas-Ducca, G. (2002). *Less Mining for a Better World*. LINK, 101, London: Friends of the Earth International.

Rodriguez, P., Siegel, D., Hillman, A., & Eden, L. (2006). Three Lens on the Multinational Enterprise: Politics, Corruption and Corporate Social Responsibility. *Journal of International Business Studies*, Vol. 37, p. 733 – 746

Rogers, C., (2005). *Artisanal and Small Scale Mining*, Presentation at the Workshop on Integrated Resource Planning; Managing Mineral Wealth, Kampala, Uganda.

ogers, K., & Hudson, B. (2011). The Triple Bottom Line: The Synergies of Transformative Perceptions and Practices of Sustainability. *OD Practitioner*, 4(43), 3-9.

ntillo, D. (2007). Reclaiming the definition of sustainability. *Env. Sci .Poll. Res. Int.* **2007**, *14*, 60–66.

auders, R. (2006). CSR: How to get an Ethical Advantage. Download from [Http://www.highbeam.com/doc/1G1-156029766.html](http://www.highbeam.com/doc/1G1-156029766.html) (accessed 18 December 2016).

chwartz, M. S., & Carroll, A. B. (2003). Corporate social responsibility: A Three-domain Approach. *Business Ethics Quarterly*, 13(4), 503–530.

ecchi, D. (2007). Utilitarian, managerial and relational theories of corporate social responsibility. *International Journal of Management Reviews*, 9, 4, 347-373.

thi, S. P. (1975). Dimensions of Corporate Social Responsibility: An Analytical Framework. *California Management Review*, 17(3), 58–64.

Sethi, S. P. (2003). *Setting global standards: Guidelines for creating codes of conduct in multinational corporations*. Hoboken, NJ: John Wiley & Sons.



Sharma, S., & Ruud, A. (2003). On the Path to Sustainability: Integrating Social Dimensions into the Research and Practice of Environmental Management. *Business Strategy and the Environment*, 12(4): 205-214.

Singh, K. Y., (2006). *Fundamental of Research Methodology and Statistics*. New Age International (P) Limited, Publishers. New Delhi- India.

Smith, A. D., (2007). Making the Case for the Competitive Advantage of Corporate Social Responsibility. *Business Strategy Series*, 8, 186-195.

nider, J. (2003). Corporate Social Responsibility in the 21st Century: A View from the World's Most Successful Firms. In: *Journal of Business Ethics*, Vol. 48, 2, pp. 175-187.

ocial Investment Forum (2006). *2006 Report on Socially Responsible Investing Trends in the United States* (SIF, Washington, D.C.)

oubbotina, T. P., (2004). *Beyond Economic Growth: An Introduction to Sustainable Development Second Edition*. The International Bank for Reconstruction and Development/The World Bank 1818 H Street, N.W. Washington, D.C. 20433, U.S.A.

tanding, A., & Hilson, G., (2013). Distributing Mining Wealth to Communities in Ghana: Addressing Problems of Elite Capture and Political Corruption. *U4* issue 2013 (5).

tirton, B., (2010). *Mercury: A Health and Human Rights Issue Towards a Global Treaty on Mercury*. Reportage for Human Rights Watch. Available online @ hrw.org. Accessed on 12/ 08/2016.

Swanson, D. L. (1995). Addressing a Theoretical Problem by Reorienting the Corporate Social Performance Model? *Academy of Management Review* 20 (1): 43-64.

The Mining, Minerals and Sustainable Development Project (MMSD, 2004). *Local Communities and Mines*.



- Tolonen, A., (2014). *Local Industrial Shocks, Female Empowerment and Infant Health: Evidence from Africa's Gold Mining Industry*. Mimeo. University of Gothenburg, Gothenburg.
- Tsikata, F., (1997). The Vicissitudes of Mineral Policy in Ghana. *Resources Policy* 23(1–2): 9–14.
- Uddin, M. U., Hassan, M. R., & Tarique, K. M., (2008). Three Dimensional Aspects of Corporate Social Responsibility. *Daffodil International University Journal of Business and Economics*, 3, pp.199-212.
- Ulrike, D., Gudrun, F., Maren, L., & Sievers, H., (2012). *Artisanal and Small-Scale Mining (ASM)*. POLINARES Working Paper N. 19
- United Nations (2009). *A Report on Ghana's Mining Sector for the 18th Session of the UN Commission on Sustainable Development*. Downloaded on 16/03/16 from [http://www.un.org/esa/dsd/dsd\\_aofw\\_ni/ni\\_pdfs/nationalreports/ghana/Mining.pdf](http://www.un.org/esa/dsd/dsd_aofw_ni/ni_pdfs/nationalreports/ghana/Mining.pdf).
- United Nations General Assembly (1987). *Report of the World Commission on Environment and Development: Our Common Future*. Oslo, Norway: United Nations General Assembly, Development and International Co-Operation: Environment.
- Urquiza, L. (2010). A Global Environmental Movement against Gold Mining: Pascua–Lama in Chile. *Ecological Economics*, 70(2), 219-227.
- Uwalomwa, U., (2011). An Empirical Investigation of the Association between Firms' Characteristics and Corporate Social Disclosures in the Nigerian Financial Sector. *Journal of Sustainable Development in Africa*.
- Veiga, M. M., Maxson, P. A., & Hylander, L. D., (2006). Origin and Consumption of Mercury in Small-Scale Gold Mining. *Journal of Cleaner Production*, vol. 14, no. 3–4, pp. 436-47.



- Viganò, F., & Nicolai, D., (2009). CSR in the European Banking sector: evidence from a survey. In: Barth, R. – Wolff, F. (ed.) (2009): Corporate social Responsibility in Europe: Rhetoric and Realities. Edward Elgar Publishing Inc. ISBN 978 1 84720 764 7
- Vintilă, G. (2013). A Study of the Relationship between Corporate Social Responsibilities- Financial Performances -Firm Size. JEL Classification, pp 62-67. *Revista Română de Statistică Trim. I/2013*
- Waddock, S. (2007). *Corporate Sustainability and the Individual: A Literature Review*. Cambridge Programme for Sustainability Leadership Paper Series, No. 1.
- Waddock, S., Matten, D., Pohl, M. & Tolhurst, N., (2007). *The A to Z of Corporate Social Responsibility: A Complete Reference Guide to Concepts, Codes and Organisations*. John Wiley & Sons Inc., 111 River Street, Hoboken, NJ 07030, USA.
- Wood, D. (2005). *The Market for Virtue: The Potential and Limits of Corporate Social Responsibility*. The Brookings Institution, Washington.
- Waddock, S., (2004). Parallel Universes: Companies, Academics and the Progress of Corporate citizenship. *Business and Society Review*, 109(1), 5-42.
- Walker, J., & Howard, S., (2002). Voluntary Codes of Conduct in the Mining Industry. Mining, Minerals and Sustainable Development Project (MMSD); *IIED*.
- Warhurst, A. And L. Noronha (2000) (eds.) *Environmental Policy in Mining: Corporate Strategy and Planning for Closure*. London: Lewis.
- Warhurst, A., (2001). Corporate Citizenship and Corporate Social Investment: Drivers of Tri-Sector Partnerships. *Journal of Corporate Citizenship*. Vol. 201(1).
- Wartack, S. L. & Cochran, P. L., (1985). The Evolution of the Corporate Social Performance Model? *Academy of Management Review* 10 (4): 758-769.



WBCSD (2016). Corporate Social Responsibility. URL: <http://www.wbcsd.org/templates/>

Werther, W. B., & Chandler, D., (2006). *Strategic Corporate Social Responsibility; Stakeholders in a Global Environment*. Sage Publications. Inc London.

Wilson, M. L., Renne, E., Roncoli, C., Agyei-Baffour, P. & Tenkorang, E. Y. (2015). Integrated Assessment of Artisanal and Small-Scale Gold Mining in Ghana — Part 3: Social Sciences and Economics. *International Journal of Environmental Research and Public Health* pp 8133-8156.

Wood, D. J. & Jones R. E. (1996). *Research in Corporate Social Performance: What Have We Learned?* Corporate Philanthropy at the Crossroads, Ed. D.R. Burlingame and D.R. Young, Indiana University Press, Bloomington, Pg. 7-22.

Wood, D. J. (1991). Corporate Social Performance Revisited. *Academy of Management Review*, Vol.16, pp. 691-718.

World Bank (2008). *Communities, Artisanal and Small-Scale Mining (CASM)*. Media Contact in Washington, DC: Mauricio Rios (202) 458-2458.

World Bank (2012). *Sustainable Management of Mineral Resources: Abstract*, World Bank, viewed on 16/05/2016, from

<<http://www.worldbank.org/projects/P086716/sustainablemanagement-mineral-resources?Lang=en&tab=overview>>.

World Bank (2013). *Artisanal and Small-Scale Mining: Brief*. The World Bank Group. Accessed from <http://www.worldbank.org/en/topic/extractiveindustries/brief/artisanaland-small-scale-mining> 4/4/2016.





World Bank Group (2015). *Global Economic Prospects, January 2015: Having Fiscal Space and Using It*. Washington, DC: World Bank doi: 10.1596/978-1-4648-0444-1. License: Creative Commons Attributions CC BY 3.0 IGO

World Bank, (1995). *A Comprehensive Strategy toward Artisanal Mining*. The World Bank, Industry and Mining Division, Industry and Energy Department.

World Business Council for Sustainable Development (2006). Corporate Social Responsibility. [Http://www.wbcsd.org/templates/templatewbcsd1/layout.asp?Type=p&menuid=mzi3&doopen=1&clickmenu=leftmu](http://www.wbcsd.org/templates/templatewbcsd1/layout.asp?Type=p&menuid=mzi3&doopen=1&clickmenu=leftmu) on 14/10/16.

World Business Council for Sustainable Development (2013). From Challenge to Opportunity: The role of business in Tomorrow's Society. Retrieved 18 July, 2007, from [www.wbcsd.org](http://www.wbcsd.org)

World Commission on Environment and Development (1987). *Our Common Future*. The Oxford University Press, Oxford

World Gold Council (2011). *The Economic Contribution of Large-Scale Gold Mining in Peru*.

Madav, V. K., & Bhawana (2016). Corporate Social Responsibility Practices on Health, Education and Environment in India (With reference to Tata Steel). *International Journal of Academic Research and Development, Volume 1; Issue 3; pp. 16-21*

Makovleva, N., & Vazquez-Brust, D. (2012). Stakeholder Perspectives on CSR of Mining Companies in Argentina. *Journal of Business Ethics, 106(2)*, 191-211.

Makovleva, N., (2007). Perspectives on Female Participation in Artisanal and Small-Scale Mining: A case study of Birim North District of Ghana. *Resources Policy*, vol. 32, no. 1–2, pp. 29-41.

Yakubu, B. R., (2000). *Mining: The Environment and Sustainable Development*, Ibadan, Education Cita Printing.



Yakubu, B. R., (2002). *Towards Sustainable Small Scale Mining in Ghana*, Paper presented at Mining, the Environment and Sustainable Development Conference, February 21–22, Tarkwa, Ghana 2002.

Yamane, T. (1967). *Statistics: An Introductory Analysis. (2<sup>nd</sup> Ed.)*. New York: Harper and Row.

Yin, R. K. (2003). *Case Study Research: Design and Method; (3rd Ed.)* London: Sage.

Zolnikov, T. R., (2012). Limitations in Small Artisanal Gold Mining Addressed by Educational Components Paired With Alternative Mining Methods. *Science of the Total Environment*, vol. 419, pp. 1-6.



**APPENDIX**

**DEPARTMENT OF GOVERNANCE AND DEVELOPMENT MANAGEMENT  
FACULTY OF PLANNING AND LAND MANAGEMENT  
UNIVERSITY FOR DEVELOPMENT STUDIES (TAMALE)**

**Dear Respondent,**

This questionnaire is meant for data collection (from employees) for a study on **Corporate Social Responsibility and Sustainability of Mining Companies in the East Akim Municipality**. This exercise is strictly for academic purpose only, hence information given will be treated with outmost confidentiality. Information given have no injurious implication on you or the company.

Thank you,

Please indicate your response by ticking [] or circling ( ) response category or by writing in the spaces provided.

***Section I Information on the Demographic Background of Employees***

1. Gender

1. Male []                      2. Female []

2. Age of respondent in years

.....

3. Educational Status

1. Non - Literate []    2. Basic []    3. Secondary []    4. Tertiary []    5. Others [], kindly specify .....

4. Origin

1. Indigene []    2. Non-indigene [], kindly specify your home of origin .....

5. Marital Status

1. Married []    2. Single []    3. Divorced []    4. Widowed []

F. What is your household size?

.....

G. How many dependence do you have?

.....



**Section II assess the existence of and analyzes the pattern of CSR Practices of Small Scale Mining Companies**

A. How long have you been working in this organization?

.....

B. What was your occupation before been employed by this company?

1. Farmer [ ] 2. Civil Servant [ ] 3. Unemployed [ ] 4. Others [ ], kindly specify

.....

5. What is your current position in this company?

.....

6. What is your current employment status?

1. Permanent staff [ ] 2. Casual staff [ ] 3. Others [ ], kindly specify .....

7. What is your current monthly wage/salary from this employment?

.....

8. How many times in the last 12 months has the company defaulted in paying your wage/salary?

.....

9. How much are you able to invest/save from your wage from your employment?

.....

10. Before your current employment in this firm, how much were you saving/investing from your income?

.....



I. Using a five point Likert Scale, rate the CSR practices available in your firm by circling the number that most approximates your experience.

<i>Legal Responsibilities</i>	<b>Completely Agree</b>	<b>Somewhat Agree</b>	<b>Neutral</b>	<b>Somewhat Disagree</b>	<b>Completely Disagree</b>
The Company pays my SSNIT contribution regularly	1	2	3	4	5
I am allowed annual leave	1	2	3	4	5
The Company defaults in paying wage/salary of employees	1	2	3	4	5
Employees are usually abused physically/verbally/sexually	1	2	3	4	5
Employees from the community are paid far below the daily minimum wage	1	2	3	4	5
<b><i>Ethical Responsibilities</i></b>					
Employees go through daily health and safety tips before commencing work	1	2	3	4	5
Injury and disability benefits exist for employees	1	2	3	4	5
Private health insurance exist for employees and their dependence	1	2	3	4	5
Employees are allowed to form or join labour unions	1	2	3	4	5
Employees are given daily tips on how to protect water bodies and the environment	1	2	3	4	5
<b><i>Philanthropic Responsibilities</i></b>					
The company provides scholarship for wards of employees	1	2	3	4	5

If there exist any CSR practice of your firm that was not mentioned above, kindly state it

.....

.....

.....



**DEPARTMENT OF GOVERNANCE AND DEVELOPMENT MANAGEMENT  
FACULTY OF PLANNING AND LAND MANAGEMENT  
UNIVERSITY FOR DEVELOPMENT STUDIES (TAMALE)**

**Dear Respondent,**

This questionnaire is meant for data collection (from residence) for a study on **Corporate Social Responsibilities and Sustainability of Mining Companies in East Akim Municipality**. This exercise is strictly for academic purpose only, hence information given will be treated with outmost confidentiality. Information given have no injurious implication on you or the company.

Thank you,

Please indicate your response by ticking [] or circling ( ) response category or by writing in the spaces provided.

***Section I Information on the Demographic Background of Residence***

1. Gender

1. Male []                      2. Female []

2. Age of respondent in years

.....

3. Educational Status

1. Illiterate []    2. Basic []    3. Secondary []    4. Tertiary []    5. Others [], kindly specify

.....

4. Current Occupation

1. Farmer []    2. Civil Servant []    3. Petty Trader []    4. Student []    5. Unemployed []

6. Other [], kindly specify .....

7. Marital Status

1. Married []    2. Single []    3. Divorced []    4. Widowed []    5. Others [], kindly specify

.....

F. What is your household size?

.....

G. How many dependence do you have?

.....

H. How long have been living in this community?



**Section II assesses the existence of and analyzes the pattern of CSR Practices**

A. Using a five point Likert Scale, rate the CSR practices available to the community by circling the number that most approximates your experience.

<b><i>Legal Responsibilities</i></b>	<b>Completely Agree</b>	<b>Somewhat Agree</b>	<b>Neutral</b>	<b>Somewhat Disagree</b>	<b>Completely Disagree</b>
The Company pays compensation to landowners for using their lands	1	2	3	4	5
The company obeys the norms and conventions of this community	1	2	3	4	5
The company exposes mercury and other toxic chemicals into the environment with impunity	1	2	3	4	5
The company employ and allows underage children (below 16 years) on the mining site	1	2	3	4	5
<b><i>Economic Responsibilities</i></b>					
Most of the employees of the company are from this community	1	2	3	4	5
<b><i>Ethical Responsibilities</i></b>					
The company abandoned old mining sites without refilling the craters	1	2	3	4	5
River bodies are destroyed by the company	1	2	3	4	5
The Company do not regard the culture of the community	1	2	3	4	5
The company does not compensate third parties whose	1	2	3	4	5



properties are destroyed as a result of their activities					
<b><i>Philanthropic Responsibilities</i></b>	<b>Completely Agree</b>	<b>Somewhat Agree</b>	<b>Neutral</b>	<b>Somewhat Disagree</b>	<b>Completely Disagree</b>
The company has provided school building for the community	1	2	3	4	5
The company has provide boreholes for the community	1	2	3	4	5
The company has provided health center for the community	1	2	3	4	5
The company has set up skills training and development center for the community	1	2	3	4	5
The company has provided shelter for people in the community	1	2	3	4	5
The company has instituted scholarship scheme for needy but brilliant students	1	2	3	4	5
The company donates towards festivals and other cultural celebrations	1	2	3	4	5
The company has constructed market for the community	1	2	3	4	5



. If there exist any activity that the company is performing in the community but was not stated above, kindly state it

.....

.....

.....



**Section III examines the effects of CSR practices on the livelihood of residents**

A. What work were you doing before the mining company started working here?  
 .....

B. Using a five point Likert Scale rate the effects of the company's activities on your livelihood situation by circling the number that most approximates your experience.

Statements	Completely Agree	Somewhat Agree	Neutral	Somewhat Disagree	Completely Disagree
My farmland has been taken away from me forcefully	1	2	3	4	5
The river in which I fish has been polluted hence am out of business	1	2	3	4	5
The presence of strangers as a result of the mining company has led to stealing of farm produce	1	2	3	4	5
The presence of the company has led to high cost of living	1	2	3	4	5
There is ready market for my farm produce as a result of the presence of the company	1	2	3	4	5
The compensation given to me by the company has been invested in trade	1	2	3	4	5
Most of the school children have stopped schooling in order to loiter in mining sites	1	2	3	4	5
The presence of the company has led to water and air pollution related diseases thereby increasing cost of health	1	2	3	4	5
The presence of the company has created job for food sellers	1	2	3	4	5
The presence of the company has led to increased income in households due to	1	2	3	4	5



employment created by the company					
I enjoy good nutrition and healthcare now than before the emergence of the company as a result of improved income	1	2	3	4	5
I am able to save more money now than before the emergence of the company as a result of improved income	1	2	3	4	5

- . What is your socio-economic situation now than before the mining companies began operation in the community?
- . I am worse-off [ ] 2. I am better-off [ ] 3. Neutral [ ]



**DEPARTMENT OF GOVERNANCE AND DEVELOPMENT MANAGEMENT  
FACULTY OF PLANNING AND LAND MANAGEMENT  
UNIVERSITY FOR DEVELOPMENT STUDIES (TAMALE)**

**Dear Respondent,**

This interview is meant for data collection (from managers) for a study on **Corporate Social Responsibilities and Sustainability of Mining Companies in East Akim Municipality**. This exercise is strictly for academic purpose only, hence information given will be treated with outmost confidentiality. Information given have no injurious implication on you or the company.

Thank you,

**Interview Guide for Managers)**

***Existence of CSR in the organizational policies of small scale mining companies***

1. How long has your company operated in this community?
2. What is the mission of your organization?
3. What are your organizational values?
4. What is your organisation's value on CSR?
5. How do you perceive CSR as a manager of this firm?
6. Does your company has CSR policies enshrined in the organisation's policies?
7. What are your organizational policies on the environment (Water bodies and vegetation)?
8. What is your organizational policy on the youth in your catchment area?

***Patterns of CSR practices of small scale mining companies***

9. What per cent of your profit do you use on CSR activities?
10. Which activities do your firm considers as CSR activities?
11. Which of your CSR activities take much of your resources?



12. Which CSR activity is considered the most important by your organization?
13. What are the government's regulations surrounding your activities?
14. Do you adhere to all the regulations?
15. Do you honour your tax obligations?
16. Do you pay royalties to traditional authorities?
17. Do you consider labour issues as part of your company's CSR activities?
18. What are the labour issues, your company considers as CSR activities?
19. How does your company relate to the community?
20. Does your company observe the norms and conventions of the community in which you operate?
21. Does your company have policy on indigene employment?
22. What per cent of your employees hail from the community?
23. 23. In which way has your company contributed towards the socio-cultural sustainability of the community?

***Effects of CSR practices on Organisational performance***

24. Why does your company get involve in CSR activities?
25. How do CSR practices affect the general performance of your organization?
26. How has CSR practices of the company affected the relationship between the community and the company?

27. How do CSR activities affect the company's financial performance?

***Effects of CSR practices on the livelihood of residents***

28. How has the activities of your company affected the inhabitants of this community?



29. What do you think are some of the challenges the inhabitants of the community are facing as a result of the presence of your company?

30. What has your company done to mitigate the challenges of the inhabitants of the community?

31. How positively has your company affected the lives of the inhabitants of the community?

32. Do you involve the community members when rolling out programs intended for the community?

3. Do you compensate landowners for using their land and if yes, what is the mode for determining the compensation?

4. Origin of the owner/s of the business?

#### **Interview Guide for Regulators)**

##### ***Existence of CSR in the organizational policies of small scale mining companies***

1. What does your outfit expect from small scale mining companies?
2. Are small scale mining companies fulfilling the expectation of your outfits?
3. How does your outfit ensure the practices of the mining companies meet the regulatory demands of your outfit?

