



A Corporate Social Responsibility (CSR) Approach: The hope for lost livelihood in the mining community of Obuasi municipality in Ghana

Victoria Mensah Nyamadi¹, Jones Opoku-Ware²

¹Christian Service University College, Kumasi, Ghana

²Institute of Distance Learning, Kwame Nkrumah University of Science and Technology (KNUST),
Kumasi, Ghana

Corresponding author: Jones Opoku-Ware, Institute of Distance Learning, Kwame Nkrumah University
of Science and Technology (KNUST), Kumasi, Ghana

Abstract: The virtue of Corporate Social Responsibility (CSR) as the voluntary incorporation of social and environmental concerns into business conduct has established itself as an international norm. Businesses, intellectuals, local and international development agencies like the USAID have embraced this concept with the hope that it could bring about sustainable development to developing countries. Using qualitative data collection tools of semi-structured interviews and field observations, it was found out that although the company mining the Obuasi mine - AngloGold Ashanti (AGA) seems to uphold the concept of social responsibility, their willingness and zeal to ensure the reality of such policies are almost non-existent. CSR is best practiced when done in partnership with the local community, but in the case of AGA, the formulation and implementation of the policies are done by the company with very little consultation with the people. Nonetheless, it expects the community to accept their stretched hand of philanthropy as a favour from them and not complain about the economic, cultural, social and environmental hazards that they have to endure as a result of the operations of the mine. Being a signatory to the Global Compact agreement and the ISO 14001, the company has tried to consistently improve their social commitment but they still have a very long way to go in terms of sustainable development in the Obuasi municipality as defined by the Rio conference.

Keywords: Mining, Community, CSR, Development, Sustainability.

1. Introduction

Mining of gold is widely known to have major negative impacts on the environment and thus on the people who are occupants of these environments. A relevant question to ask is who suffers and who gains as a consequence of these environmental hazards? It is quite ironic to note that most of the time people who are the occupants of land filled with rich resources like gold, diamond among others are usually very poor people. It is, therefore, not out of place to expect that the mining companies which are usually multinational companies give back to the communities that they take these riches from in order to reduce or even compensate their losses.

In the past, many large corporations were seen to be insensitive to the needs of society and caused much of the environmental degradation of the earth, (Utting, 2005). Their '*raison d'être*' has been how to make profit and how to satisfy their shareholders as for instance argued by Milton Friedman (Friedman, 1970). Although the situation is changing, it is imperative to wonder if the changes that are occurring have yielded expected results. In the world in which we live today, many businesses, whether big or small, try in a way to care for the needs of the society in which they operate and also put in place measures to control degradation of the environment. These actions done by the companies, whether structured or not, have been embraced by both the beneficiaries and other stakeholders in that they are seen to contribute towards the development of its beneficiaries. Thus, "the reinvigoration of the idea that businesses" not only have a motive and responsibility of making profit, but also to help solve some societal problems including socials and environmental, has provided the platform for the debate that has shaped the present path now assumed by corporate-society relationships, internationally discussed under the heading of Corporate Social Responsibility, CSR (Idemuia, 2007).

It has been proven through many researches that CSR, if wrongly implemented, could lead to the uneconomic use of scarce resources in an economy. However, when well formulated and implemented, CSR has been identified to be one of the most instrumental tools in ensuring the attainment of sustainable development in developing countries (Idemuia, 2007). By adopting social responsibility measures, the businesses in a way try to increase sustainable development of their host communities. Many theorists as well as development agencies such as DFID, USAID, and the World Bank among others have argued that CSR could be considered as a tool for the attainment of sustainable development in especially developing countries. These agencies have submitted that engaging the corporate world in development agenda is one way of achieving sustainable development (Binder, Palenberg and Witte, 2007).

In order for CSR policies of mining companies to attain sustainable development, there must be collaboration with civil society in which they operate. Thus, if corporate bodies just feel a sense of responsibility towards their society and therefore make contributions to the society without involving them (society), what we will have is a development which is not community owned and therefore not sustainable.

This research set out to investigate the operations of AngloGold operations in a mining community called Obuasi in Ghana and the extent to which the company implements the principles of CSR in their operations. The study seeks to find answers to the following questions;

- How does AngloGold Ashanti Company implement its Corporate Social Responsibility policy in the Obuasi municipality?
- What is the role of the local community in the design and implementation of the CSR policy of AngloGold Ashanti?

2. Study Area

The research area is Obuasi municipality, a town which contains one of the ten largest gold mines in Ghana. The town is located in the Southwestern part of the country in the Ashanti region which is Ghana's second capital city. The Obuasi municipality is among 21 districts in the Ashanti region and has an estimated population of 221154 estimated in 2008 by the Ghana Statistical Service (2008). The gold mine in Obuasi has existed since late 1987 (Ayensu, 1997), with different multinational companies taking turns to mine the gold. Currently, the mine is owned by AngloGold Ashanti, a multinational company headquartered in South Africa. Previously the mine was owned by Ashanti Goldfields until 2004 when the AngloGold Company took over the ownership of the mine (AngloGold Ashanti, 2007).



Figure 1: Map of the Ashanti region with an insert of the Obuasi municipality.

The Obuasi municipality is one of the 26 districts of the Ashanti Region and was created as part of the government's effort to further decentralized governance. It was carved

out of the erstwhile Adansi West District Assembly on the strength of executive instruments (E. I.) 15 of December, 2003 and Legislative Instrument L. I. 1795 of 17th March, 2007. The municipality is located at the southern part of Ashanti region between latitude 5.35N and 5.65N and longitude 6.35N and 6.90N. It covers a land area of 162.4sqkm. There are 53 communities in the municipality which share 30 electoral areas. Amongst the 53 communities include Sansu, Odumase, Dunkwa Junction, Gauso, Pomposo, Nyameso and Ahansonyewodea. The Obuasi municipality is bounded to the east by Adansi South, west by Amansie Central and to the north by Adansi North, to the south by Upper Denkyira district in the Eastern Region (Ghana districts, 2006). It has Obuasi as its administrative capital where the famous and rich Obuasi gold mines, now AngloGold Ashanti is located.

The vegetation is predominantly a degraded and semi-deciduous forest. The forest consists of limited species of hard wood which are harvested as lumber. The Municipality has nice scenery due to the hilly nature of the environment. The Municipality has a rather undulating topography and the climate is of the semi-equatorial type with a double rainfall regime. Mean annual rainfall ranges between 125mm and 175mm. Mean average annual temperature is 25.5OC and relative humidity is 75% - 80% in the wet season (Ghanadistricts, 2006). The population of the Municipality is estimated at 221154 as at 2008 using a 4% annual growth rate with a population density of about 1362 persons per square kilometer (Ghana Statistical Service, 2009). The vegetation is predominantly a degraded and semi-deciduous forest. The forest consists of limited species of hard wood which are harvested as lumber. The Municipality has nice scenery due to the hilly nature of the environment.

Table 1: Demographic statistics of the Obuasi municipality

Age group	Male	Female	Total population	Percentage of total population (%)
Under 1 year	6519	6616	1315	4
1-5 years	26016	26463	52539	16
6-14 years	44002	44655	88657	27
15-49 years	65189	66156	131345	40
50- 60 years	13037	13231	26268	8
Over 60 years	8148	8270	16418	5
Total	162971	165391	328362	100

Source: Ghana Statistical Service (2008) obtained from the Obuasi Municipal Assembly (OMA)

2.1. AngloGold Ashanti Company

AngloGold Ashanti is a multinational company and a leading global producer of gold. The head quarters of the company is in Johannesburg in South Africa, and it has affiliates in Tanzania, Brazil, Australia, Argentina, Colombia, Guinea, Mali, Namibia, United States of America and Ghana. It is involved in metals and mining different kinds of mineral resources all over the world (AngloGold Ashanti, 2007). In Ghana, it is the mining company that handles the country's largest mining site. AngloGold Ashanti has two operations in Ghana; the first operation is in Obuasi in the Ashanti region and the second in Iduapriem in the Western region of Ghana (AngloGold Ashanti, 2007). Figure 1 below shows the operating areas of AngloGold Ashanti in Ghana. The Obuasi site is the largest gold mining site of Ghana and it is located in the Adansi West district of the Ashanti region of Ghana. Formerly, the Obuasi operations were assets of a Ghanaian based company, Ashanti Goldfields, but ownership was transferred to AngloGold Ashanti in 2004 and the started operations in that same year (AngloGold Ashanti, 2007). However, operations in Iduapriem were started in 2007 by the company.



Figure 2: Locations of operations of AngloGold Ashanti (AngloGold Ashanti, 2007)

The company is structured into six main divisions; mining, processing, human resource management, engineering, mining resources management and sustainable development divisions. Each of these divisions is headed by a general manager. The divisions are further divided into departments which are also headed by managers. Under the departments, there are various sections, headed by superintendants. As a result of my area of interest, I will be mostly dealing with the sustainability division and specifically the community and social development, business development and the environmental services departments.

3. Methods

In pursuit of giving empirically founded answers to the research questions, the study adopted a qualitative case study approach or design. This offered the opportunity to get a deeper understanding of CSR related developments from the mining operations of AngloGold from the community's point of view. Basically, semi-structured interviews guided by an interview guide were used and the questions were mainly open-ended

questions. This approach was very useful in getting more information about the perceptions of people as far as their personal development and the development of the community is concerned. Responses from the interviews were written down and others also recorded from the community residents interviews. Interviews took from 30 minutes to 2 hours, but with the majority in the 40-50 minutes range.

Some workers of AngloGold Ashanti as well as some top management personnel were also interviewed. In total, about 30 people were interviewed. The sampling methods were a combination of purposive and snowball. Purposive sampling was used to select the initial contact at the Department of Sustainable Development of AGA who also pointed to other respondents who were relevant to the research such as beneficiaries of projects done by the company. Data was collected from some major places in the Obuasi municipality particularly Gausu extension, the Obuasi central, Mampamhwe, Adaase and Ahansonyewodea areas which have largely benefited from major projects carried out by AngloGold mining company.

The interviews started with some of the management officials of the company and also gathering some relevant document for analysis of the research. Later, villages that the research work would be carried out were identified. In each village three people were interviewed. Along the line, contact with the Obuasi Municipal Assembly (OMA), which is the local governing body for the Obuasi municipality was made. At the office, one worker who was designated by the District Chief Executive (DCE) of the Municipality, for statistical and other information was interviewed. Some workers of the AGA were also interviewed and this included senior staff and junior staff. The senior staffs were mainly the workers in the high income bracket, with the junior staff being in the low income bracket. This helped to get a fair representation of the issues from the workers and also obtain diverse views. Members of the Community Consultative Committee (CCC) set up by the AGA as a liaison between the company

and the communities as far as the concerns of the communities and the social responsibilities of the company are concerned were also interviewed.

Also, close observation of the development projects carried out by the AngloGold in the community apart from the interviews was conducted and some of these observations are shown in pictures under the results and discussion part. The perception and thinking of the interviewees and those observed served as the main source of data.

4. Results and Discussions

The empirical findings gathered from the field are presented in accordance with the research questions asked. The results and discussions centre on the questions of how AngloGold Ashanti Company implements its Corporate Social Responsibility policy in the Obuasi municipality as well as the role of the local community in the design and implementation of the CSR policy of AngloGold Ashanti.

4.1. Implementation of AGA's CSR Policy

On AngloGold CSR policy, it was found out that CSR has always been informal. In other words, not until 2007, the mining companies did not include CSR as a policy. The company made philanthropic donations to the community only when the community requested for it and if they thought it was appropriate to respond to such a call (A. Ohene Adu, *personal Interview*, 2009). However, in 2007, AGA instituted a structured CSR policy into their main stream corporate policies. They did this by creating a community and social development department under the sustainability division. The aim for the establishment of this department is to provide a formal platform to address social issues and to give the community the opportunity to deal with the company directly in terms of their social concerns. The implementation of the company's CSR policies are now channeled through the sustainability division, with much of the community

involvement work being worked out through the community and social development department. The department receives complaints and requests from the local community and presents it to the company for discussion and action to be taken on it. It also organizes meetings with the chiefs and some of the other leaders of the various communities in order to be on the same page on their social issues.

However, a question asked was whether these meetings were enough to address the community's social, environmental and other pressing issues. From observation during fieldwork, it was realized that the meetings did not capture most of the people in the community and thus community participation has not been fairly represented. Secondly, due to the previous encounters with the company, some being violent, the people are sometimes intimidated to voice their opinions about certain actions or inactions of the company which affects them. The people sometimes fail to attend such meetings due to the outcomes of previous meetings, which has been, fruitless on many occasions to them. For instance, in an interview, one respondent retorted:

What is the point in attending meetings if 'nothing' seems to come out such meetings? It is simply a waste of my precious time(Personal Interview, 2009).

From the responses of the residents, it was lamented by many of the local people that the chiefs or traditional leaders of these communities have become a mouth piece of the company instead of the people. They are unable to speak for their people, probably because the company has made their personal situations better and they would not want to offend them by speaking against them. Thus, they either become lame ducks or advocates for the companies instead of a mouth piece for the people they lead.

4.2. Malaria control in the Obuasi municipality

In spite of the numerous concerns raised by the community residents in relations to mining operations in the municipality, AngloGold argued that they have embarked on numerous CSR initiatives and projects with the aim of meeting the needs and concerns

of the community residents. For instance, in their attempts to address some of the social problems of the Obuasi municipality, the AGA Company has embarked on a malaria control programme known as the Obuasi Malaria Control Programme (OMCP). The initiative came up as a result of complaints from the local people about the high incidence of malaria in the area which was also strongly supported by the then CEO of the company, Bobby Godsell (*S. Danso, Personal Interview, 2009*). The programme aimed to achieve a 50% reduction in malaria incidence in the Obuasi municipality. A review of statistics from hospitals and clinics in Obuasi show that in 2005, over six thousand cases of malaria were recorded out of the total of twelve thousand cases reported at the various hospitals. The programme was an integrated programme which adopted various methods of malaria control and prevention. One of the documents prepared prior to the implementation of the OMCP shows the following as the methods used in the programme.

- Vector Control - Indoor Residual Spraying (IRS)
- Distribution of Insecticide Treated Nets (ITN's)
- Larvicide of breeding areas (water bodies)
- Environmental Management (screening)
- Surveillance, monitoring & research
- Information, Education, Communication (community)
- Life style changes
- Advocate use of Repellants (night shift workers)
- Early, effective diagnosis & treatment

Source: (*S. Danso, Personal Interview, 2009*)

According to the programmes manager, Mr. Danso, the whole programme pivoted on the indoor residual programme and this he explained as the spraying of walls in every home in the Obuasi municipality, with the aim of destroying the mosquitoes that transmit the malaria parasite. The efficacy of the insecticide is 5 months and thus the

IRS is done every 6 months with the first one taking off in February 2008 and a second one in July 2008. As at December 2007, the company had spent about 1,874,991.00 Ghana Cedis which was equivalent to USD 1,874,991.00 (*S. Danso, Personal Interview, 2009*).

Apart from the fact that this is such an enormous amount to be spent on the programme, which brings in mind the issue of sustainability of the programme. Eradicating malaria is as important for the community as it is for the company, most of the methods being used in the programme may not be sustainable. It is very costly to do the IRS which does not even kill all the mosquitoes but it reduces the number of the malaria parasites and it is feared that this programme may not stay long enough for the better of the community especially when the mine is closed in the future. However, it is worth noting that the OMCP programme has been nominated as a principal recipient of a global fund for the next five years. Since the programme has been successful, the fund is to help extend its implementation to 40 districts in Ghana within the next five years with the aim of reducing the incidence of malaria in the country. According to Mr. Danso, this initiative takes off in the 2nd quarter of 2009; however it is worth noting that the programme cannot be implemented in urban areas but only peri-urban *areas* (*S. Danso, Personal Interview, 2009*).

The implementation of the programme did not occur without some challenges. One of the major challenges was the unwillingness of some of the residents to allow the sprayers into their private properties especially their bedrooms. In Ghana, it is unusual for strangers to enter into people's bedrooms as it is considered uncultured and disrespectful and also for fear of strangers stealing some valuable items. However, through prior education of the residents and reassurance that the sprayers have been screened by the police, some of these incidences were minimal. The other challenge was that the residents complained about the strong odor from the spray which stayed for well over two weeks. Staying in our own rooms now became inconvenient and we had

to stay outside most of the time, lamented one of the residents (*O. Sekyere, Personal Interview, 2009*). Staying outside their room during night time meant being exposed to the mosquitoes that may outside. Their other complaint is also that the spray destroyed their beautiful paints on the wall, which meant that they had to spend some money to repaint the walls (*O. Sekyere, Personal Interview, 2009*).

In terms of their objective of reducing malaria incidence in the Obuasi municipality, the OMCP has been able to achieve about 75% reductions in malaria in the Obuasi municipality according to hospital statistics in the municipality. Of course such a programme is very much beneficial to the company in the sense that it reduces the rate of malaria related absenteeism, which means a higher productivity for the company and reduced cost as well. To quote from the AGA Report to Society 2004

“... Malaria remains the most significant Public Health threat to AngloGold Ashanti operations in Ghana, Mali, Guinea and Tanzania...”. The importance of malaria prevention and reduction to the company, thus, cannot be overemphasized.

The people employed in the programme both permanent and temporary are from the municipality which provides income for some of the youth who do not have job but some of these jobs like I noted are temporary and therefore the workers do not enjoy the luxury of receiving income throughout the whole year. Jobs like these pay quite well (for instance the sprayers are paid a salary of USD 227) and thus it is attractive enough to draw some of the people away from the small scale mining, otherwise known locally as ‘*galamsay*’. According to the programmes manager, the OMCP currently employs a total of 120 workers who do various task including spraying, supervising and administration staff. Again, this is beneficial to the company because small scale miners are detrimental to the company. They sometimes destroy some of the company’s assets and it was reported two years ago that, these galamsay workers caused a fire outbreak in one of the company’s plants which cost the company and the Electricity Company of Ghana (ECG) a total sum of 6 million US Dollars. Sometimes, they tamper with the

dams (of waste chemicals) and these can cause some hazards including flooding of farms and lands, reports (A. Ohene Adu, *Personal Interview, 2009*). The people that end up as galamsay workers, sometimes, are people who have lost their source of livelihood as a result of the mining activities. Since they are usually not literates and may not have any special skill, the company may not be able to absorb them into their mainstream employment. How could one possibly blame these 'galamsay' workers for their 'illegal' activities when their source of livelihood and income has been taken away and they have to survive? Unfortunately, even though the 'galamsay' work is dead dangerous, it is their only means of survival for now.

4.3. Creating employment for the local people: The Piggery project

In their bid to draw most of the unemployed people from 'galamsay' businesses and as part of their social responsibility, the company is embarking on a number of income generating projects for the community. Amongst them is what they have called the piggery project. A programme initiated with the aim of meeting the protein needs of the workers and the community. The piggery project is expected to develop into an industry where there will be a processing plant to process the meat into sausages, bacon among others for commercial purposes. As it is now, the piggery project is a pilot project which has taken off in 3 communities (Adaase, Mampamhwe and Ahansonyewodea villages, all in the Obuasi municipality) involving 3 families from each community, with 3 other communities yet to take off (these communities were not counted as part of the research). The project is facilitated by the head of business department in the company. During my interview with beneficiaries from the Mampamhwe village, it was found out that the first beneficiary, Kwabena Mensah has 1 wife and 6 children, the second person Kwaku Nuamah has 2 wives and 10 children and the last beneficiary Yaw Amoah also has 1 wife and 5 children. For all of them, their families are totally dependent on them and even though they have other sources of income i.e. vegetable farm, corn farm,

among others, their income is still insufficient to feed and sustain that size of family. The other side is that, they have the benefit of working with their families on their farms especially their wives and the children when they return from school. None of them had children in tertiary education and only one of them Kwaku Nuamah had one child in senior high school. Most of their children were in kindergarten, primary and junior high school. Their wives and children go out to some homes to ask for and sometimes buy left-over food and the peels of cassava, plantain and cocoyam to be given to their animals.

4.3.1. How the piggery project runs

The company sponsors the provision of 3 full grown pigs (2 females and 1 bull) and feed them first one month. This is given to each of the beneficiary families who are supposed to care for the animals to grow and sell later. Before the pigs are made available to the family, the men in those beneficiary families receive 2 weeks of training from the company's pig farm as to how to take care of their own farms. During this programme, the food, transportation and per diem of the men are taken care of by the company. According to the head of business department, pens are also constructed and furnished by the company to house the pigs in them and once the pigs are donated, the family also benefits from free veterinary services to ensure healthy growing of the animals. Beneficiary families are expected to donate 3 piglets to other families in the village once their females give birth. This is to ensure that the programme is sustainable and also widespread in the whole community.

Figure 3: Sample photo from the piggery project



4.3.2. Challenges in the implementation of the piggery project

Although the beneficiaries acknowledge that this is a good initiative from the company, they would have wished that the company had made contacts with them before implementing it. There are a few challenges that these beneficiaries face. One of the main ones includes inadequate feed for the animals after the first month of feed from the company. These families are poor and they cannot afford to buy special feed for the pigs as the company had been doing. The local feed that they give them are also a bit costly for them and they are sometimes compelled to give them cheap and non-quality feed; which does not make them grow properly. As at the time of the interview, the beneficiaries had not had the chance to have received income yet and thus it was such a difficult time for them to provide feed from their meager income whilst waiting for the pigs to give birth and enjoy proceeds from its sale. The company claims that marketing of the animals will be done by the company; however with the outbreak of the swine flu, the sustainability of the project seems threatened. The demand for pork in the country is reported to have fallen due to the announcement of the outbreak of the swine flu disease in the print and electronic media, including national television and radio.

4.4. The garment project

The garment project is another initiative by the company that was inspected and observed during the field work. The Obuasi Garment Works was formed in 2008 and is located in a town known as Gausu extension in the Obuasi municipality. The project is quite an interesting one to actually assess so far as the company's CSR project is concerned. This is a special one where the active participation of the company, unlike the piggery project, is minimal. The company felt that they should rely on locally sewn overalls instead of importing them from outside the country. And this is what brought about the birth of the Obuasi Garment project. The project is 95% owned by a private individual who is also a chief and 5% is owned by the Obuasi Taylors Association (OTA). The chief provides the machines and other capital which is required for the production to take place. Employment is mainly provided by OTA. Marketing of the overalls is not a problem since the AGA purchases everything that the company makes and also some other mining companies in the country have contracted them to provide overalls and company shirts for them (*Nana Bawuah, Personal Interview, 2009*). This project is one of the sustainable projects that are meant not to be dependent on the mine. In other words, it is expected that this project will last even when the mine is closed down.

4.4.1. Challenges

One cannot overlook the challenges faced by the garment company. Although the clothes are sewn in Ghana by these tailors, all the materials needed for the sewing is imported from China and South Africa, including the machines, cloth, buttons, thread, etc. sometimes the imported items do not arrive in time to allow prompt delivery of their goods, lamented Nana Bawuah. The fact that the materials are imported from outside the country increases their cost of production and this situation is worsened by

the fact that AGA sometimes offers them low prices, thereby decreasing their profit margin. In terms of benefit to the whole economy, the imported items means a balance of payment deficit for the country and this trend cannot be overemphasized. It is also interesting to note that although the long term objective of this project is to provide alternative source of employment which is not gold mining-dependent, the market for the goods produced are mine-dependent. If the mine closes down today, there is a high possibility that such a company will not survive for the next few months. Although, they eventually want to extend to providing other forms of clothing to other companies and even individuals, it is not going to be done in the foreseeable future. This poses serious sustainability challenges.

4.5. Other CSR projects

Apart from the above mentioned projects, the company has also been conducting some project worth mentioning. The company is embarking on an aquaculture project for the benefit of individuals in the community. As a way of restoring the environment, the company is turning some of its pits into fish farms which can generate employment and income for the community. They also absorb a large number of national service personnel providing them with better allowance. They also provide waste ore or granite for community developments such as the building of churches, palaces, schools, etc as was informed by Mr. Siabour, the head of business development of the company. Occasionally, the company in collaboration with the OMA organizes clean-up exercises which cost is fully borne by the company. Obuasi is engulfed in filth; occasional clean up exercises are good but it is not enough to rid the city of the filth that has engulfed it. Most of the workers I interviewed seem to appreciate the wages and working conditions provided by the company. For the senior staff (general managers, managers, superintendants), they receive scholarships for their children all the way from kindergarten through tertiary education. Some of the senior and junior also receive

sponsorship to read specific courses in some of the country's tertiary institutions including GIMPA, Kwame Nkrumah University of Science and Technology (KNUST), University of Ghana (UG) as well as some chosen universities abroad (*A. Ohene-Adu, Personal Interview, 2009*). Some of the benefits such as free education for children, study abroad, do not extend to the junior officers. Thus, there is a general perception created among the workers which makes the junior staff feel less important and alienated (*Evelyn Jewels, Personal Interview, 2009*).

However, each worker receives free medical care, life insurance, free electricity, water and recreational facilities (*Mr. Aboagye, Personal Interview, 2009*). The provision of free electricity by the company extends to Sansu and Anyinam (two of the most impacted villages). The inhabitants of these two communities enjoy the provision of these utilities without having to worry about paying the bills for them. These two communities are among the most impacted communities, thus, they experience most of the environmental, economic and social hazards of the company. Obviously, the company takes 'so much' from them and so the provision of the free utilities is like a token of compensation and should not be taken as such a big deal lamented one of the people in the community. The water being provided as free is contaminated with chemicals, their land is destroyed and their air is heavily polluted. Even though the mine has not yet closed down, the transition of the mine from AGC to AGA has brought some inconveniences for some of the workers. Many of them had to proceed on early leave and the pension given to them is not able to sustain them and their families. The claim of one of such ex-workers is that,

"it has been hard to hold anyone accountable for our plight because we were employed by AGC which is no longer in charge of the company and we are already having a feel of what our situation will be like when the mine is no longer in operation" (*Yaw Boakye, Personal Interview, 2009*).

4.6. Corporate Community Synergy

The concept of corporate community collaboration is not very evident in the Obuasi municipality. Although the company does engage the community in various meetings, it seems as if their opinions do not matter that much to the company. The formulation of CSR policies are mainly done by the company with no or little consultation with the people who are supposed to benefit from such policies. For instance the piggery and garment project initiative were all planned out by the company and also implementation was imposed upon them. Kwaku Asante, one of the beneficiaries complains that they wished the company had consulted them before coming up with the those projects to seek their consent and opinions about how to make it more meaning than it already is. Since they are poor, they do not have any choice but to accept any little help that the company offers them (*Kwaku Asante, Personal Interview, 2009*). The workers of AGA also commented that certain CSR projects such as the OMCP were done without prior consultation with them, they were only informed about when the project was about to take off. For all the people interviewed in the communities (with the exception of members of the CCC), CSR policies and projects are formulated without their input. The company only informs them when the project is about to take off.

Meetings organized between the company and the community is not always open to every person or adult in the community. In order to be able to have effective communication with the company, the community must form a Community Consultative Committee (CCC) which includes chiefs, local authorities (assembly men and women) and only 3 people to represent the community. The committee usually meets with the representatives of the company at specific periods of each month to discuss issues bothering the community.

4.7. Affected Communities, Traditional Authorities and the Public

Owing to the fact that traditional rulers have quite an enormous impact on the development of the local communities, it is interesting to take a look at the role that traditional authorities in mining communities have played in bring about sustainable development. The traditional authorities of most Ghanaian ethnic groups are organized in a hierarchy of paramount chiefs, sub chiefs and caretakers. Mostly traditional rulers enjoy deep-rooted respect from their people. They are seen as the custodians of customs and traditions, and at a village level as the community leaders settling disputes and externally representing the interests of the community (various interviews). Further, chiefs in Ghana by tradition are the 'custodians of the land', who must in principle approve the granting of mining concessions (Akabzaa & Darimani, 2001). There are also strong indications that the chief and his 'elders', in many instances, does not have as strong will to criticize the mining companies as their traditional position as defendants of the overall community interest would merit.

Also the following testimony from the OMA assistant planning officer confirms an overall trend that the interests of chiefs in demanding responsible behaviour from AGA have been compromised:

"The chiefs only show their teeth when there has been pressure from the community. Otherwise they are in bed with the company. When we did this letter from the Municipal Assembly, they had to support it, because otherwise they would be seen by the communities as accomplices of the company, but generally they normally keep quiet. At Christmas there are hampers, you know these baskets with whiskey and chocolate and many nice things [...] and then when the company recruits staff it will be "oh this chief has been loyal, so we give it to him"(Desmond Dwomoh, Personal Interview, 2009) Turning to look at resources, interviews with community people and indeed the observations done in Adaase indicated a very large educational gap between community people and the AGA officials with whom the former negotiate both their monetary compensations for land, potential takeover of new or reclaimed land, and AGA initiation of social development projects. Not surprisingly, the low

educational level, often entailing that people are not aware of their legal rights, comes together with a low holding of financial resources, contributing to a situation of scarce possibilities for challenging companies in court. The low level of education in communities also contributes to the fact identified by several interviewees that when mining comes to a new area, people may not understand its implications, and therefore may not use their legal rights to raise demands with the companies in time (*Desmond Dwomoh, Personal Interview, 2009*).

5. Conclusions

In an attempt to reconcile the achievement of social goals with business opportunity and competitiveness, Corporate Social Responsibility, as a voluntary incorporation of social and environmental concerns into corporate practices has established as an international guide largely supported and applauded by corporate executives, NGOs, governments, pressure groups, business academics and international and local development agencies alike. This is manifested in the fact that corporate bodies as well as international development agencies set up CSR-related departments or policies to facilitate its implementation. As an example, the UN has accepted and contributed to the establishment of the Global Compact arrangement as a norm for many corporate bodies (UN, 2008). However, not everybody hails the concept of CSR as some critics question the fundamentals and basis of CSR. Their argument is that businesses should focus on their core objective of profit-making and that any sway from this objective is unjustifiable and inappropriate.

Corporate social responsibility presents itself as a very useful tool for the implementation of sustainable development if the policies are well applied. Defining sustainable development as one which ensures that the developmental needs of present generations are taken care without depriving future generations the ability to provide

for their needs, one cannot overlook the importance of the corporate world in ensuring this. It is important for companies and especially mining companies to have the developmental interest of their local communities at heart both during their stay in the company and even after they have abandoned the site. They need to ensure that their activities in the communities affect the local people in the most minimum way possible. In theory, the mining companies seem to be contributing something back to the society but the worry here is that these projects and policies could not be said to be enough to ensure the sustainability and sustainable development of the people living in the community. Most of the time, the company formulates its own development and environmental policies and then informs the people about their intentions and the need for the community to support them. The leaders who are supposed to be the mouth piece of these people have been 'bought' into the circles of the company and thus they have become lame ducks. The community is left with little choice but to accept whatever that the company would decide on.

References

- [1] Akabzaa, T. & Darimani, A. (2001) 'Impact of Mining Sector Investment in Ghana: A study of the Tarkwa Mining region'. Website: http://www.saprin.org/ghana/research/gha_mining.pdf. (Assessed 24 April 2010).
- [2] Anglo Gold Ashanti (2007): "*Country Report: Ghana*", URL: <http://www.ashantigold.com/subwebs/InformationForInvestors/Reports07/ReportToSociety07/c/files/iduapriem.pdf> [accessed 6th May 2013]
- [3] Ayensu, S. E. (1997): *Ashanti Gold: The African Legacy of the World's Most Precious Metal*. London: Marshall Editions Developments Ltd.
- [4] Binder, A., Palenberg, M. and Witte, M.J. (2007): "*Engaging Business in Development: Results of an International Benchmarking Study*", GPPi Research Paper Series No. 8, Berlin; Global Public Policy Institute. URL: http://www.gppi.net/fileadmin/gppi/Engaging_Business_Final_06222007.pdf [accessed 8th July 2013]
- [5] Ghanadistricts.com (2006): *Obuasi Municipal* URL: <http://www.ghanadistricts.com/districts/?r=2&=10&rlv=location> [accessed 12th October 2013]
- [6] Ghana Statistical Service (2008): *Obuasi Municipal Assembly Profile Update*, Obuasi Municipal Assembly.
- [7] Friedman, M., (1970), 'The Social Responsibility of Business is to Increase its Profits', *The New York Times Magazine*, September 13, 1970. URL <http://www.umich.edu/~thecore/doc/Friedman.pdf> [accessed 8th October 2013]
- [8] UN (2008), *About the Global Compact: Note on Integrity Measures*, accessed October 25, 2007 URL: <http://www.unglobalcompact.org/AboutTheGC/integrity.html> [accessed 1st June 2013].
- [9] UN (2008): *What are the Millennium Development Goals* URL: <http://www.un.org/millenniumgoals/#> [accessed 2nd November 2013]
- [10] Utting, P. (2005a): *Corporate Responsibility and the Movement of Business, Development in Practice*, Vol. 15, Issue 3 & 4, pp. 375 – 388.