

Expanding the discourse: Corporate Social Responsibility (CSR) and Socio-Economic Development

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Abstract:

The entire mining industry in Ghana has been dented with reports of the local community members' protest regarding the impact of CSR activities. Yet, studies on conflicts associated with the socio-economic impact of CSR by mining firms have been limited to only gold mining companies and their host communities. Motivated by the above observation, a descriptive study was conducted with the goal of extending the scope of knowledge on the socio-economic impact of CSR provided by mining firms. Using a sample of multinational enterprises (MNEs) involved in the industrial mining of bauxite, manganese, diamond and gold and their activities reported by the Ghana Chamber of mines were drawn for the study. The study classified CSR into Social and Economic related. And then specific discussions were carried out on 5 categories of CSR projects namely Health, Education, Employment creation, Community Roads and provision of Electricity

to explore their contributions to the socio-economic development of the selected communities and their catchment towns. Base on the findings of the study, mining firms seem to be doing well but there were inconsistencies in expenditure on CSR and such moves couple with lack of community engagement were noted as the main factors that spark conflicts. Also, the problem of conflict is not limited to only gold mining local communities. The study recommends that policymakers and mining firms should rethink the guidelines on CSR projects selection and decision making. Also, firms and policymakers should establish concise channels of communication with the local community.

Key words: Corporate Social Responsibility, Multinational Enterprises, Local Community, Ghana.

1. INTRODUCTION

There exists large deposit of minerals namely gold, bauxite, manganese, diamond and limestone in Ghana (George, 2013). This has attracted huge investment from MNEs into the mining industry of Ghana. As reported by the Ghana Chamber of Mines (2014), the mining sector is dominated by about 14 Multinational Enterprises that are involved in the extraction of the aforementioned natural resources. However, the rural communities where mining firms operate seems unhappy with CSR projects carried out by mining firms. These CSR projects are perceived to be inimical to socio-economic development at the local community level (Lawson & Bentil 2014; Arko 2013). Such perception is meaningful given that UNDP (2003) indicated that the link between mining and socio-economic development is not clearly defined. This perception has led to high pressure on mining firms to commit more resources toward the socio-economic development of rural communities through CSR (Okoh, 2014). For this study, authors adopt the United Nations Council on Trade and Development (UNCTAD) and the United Nations Environment Program (UNEP)

definition that development should not be limited to developing things but also to developing man by the provision of basic needs such as food, shelter, clothing, health, education. Any process of growth that does not lead to the fulfillment of the above needs is against the idea of development (Conyers & Hills 1974)

To outline happenings in the mining sector to showcase its problems in the bid to propose solutions to enhance socio-economic development, many studies are inclined to study Gold mining companies and communities. For example; Owusu-Ansah, Adu-Gyamfi, Brenya & Damtar (2015) documented positive impact of the operations of Newmont Gold (GH) limited on the local communities in the Ahafo-Ano District. Interestingly, Opoku-Ware (2014) documented massive unemployment leading to increasing in social vices such as drug abuse and prostitution blamable on the operations of Newmont Gold (GH) limited at Kenyasi and its surrounding communities. In their study, Brew, Junwu & Addae-Boateng (2015) assessed the views of local people about CSR of gold mining companies operating in three regions (Western, Eastern and Ashanti) of Ghana. The authors concluded that although community members identified the existence some CSR projects by the sampled mining companies in their localities, they bemoaned its inadequacy in reducing the negative environmental effects of mining. Insight from their study is that mining companies seem to have responded with CSR within and beyond their host local communities, yet there still exists misconceptions and disaffection of members of mining communities. Often such mixed-feelings spark violence and demonstrations leading to loss of lives and properties (Myjoyonline news 2017). It is worrying that the aftermath of this unpleasant actions demands time and resources to mediate in restoring peaceful company-community relationship (Issifu 2016). From a different perspective (Arko 2013) on the disclosure of CSR by

large-scale gold mining firms indicated that mining companies are not doing well as they want Ghanaians to believe and are responsible for the poverty across local communities. Critically, different people have a different understanding of poverty and socio-economic development. The differences in understanding regarding these key concepts are especially the case for indigenous people with collective rights to lands (traditionally owned or otherwise occupied) which is essential to their sustenance, physical well-being, cultural integrity, and socio-economic development (Lawson & Bentil 2014).

Undeniably, local communities where other minerals other than gold are mined also show the same signs of an unhealthy relationship with mining firms in relation to socio-economic development (Public Agenda 2014). In as much as gold is not the only mineral mined in Ghana, the problem of conflict could extend to local communities where mining of bauxite, manganese, and diamond are carried out. Therefore, this research seeks to expand the discourse on the impact of CSR provided by gold, bauxite, manganese, and diamond on socio-economic development of local communities. Specifically, the paper answers the questions:

1. How have CSR activities by mining firms contributed towards socio-economic development?
2. Which CSR activities requires improvement in expenditure to care for socio-economic development?

2. THEORETICAL FRAMEWORK

2.1 The case of CSR in the Mining Sector of Ghana

Over the years, the mining sector of Ghana operated a flexible legal and tax regime with the objective of attracting foreign direct investments. This is seen in both the Minerals Laws (PNDC Law 153 of 1986 and Act 703 of 2006) and subsequent amendments which exempt mining companies from payment of

customs import duty in respect of plant, machinery, equipment, and accessories imported purposely for mining activities.

Also, all staffs of mining companies with furnished accommodation at mine sites are exempted from the payment of income tax. The tax regime further sanctions front-loading amortization of capital spending through capital allowances for reconnaissance and exploration (Government of Ghana 1986). From this background, Taabazuing, Luginaah, Djietror & Otiso (2012) suggested that government and public pressure continues to rise towards mining companies in Ghana to make pledges and set targets on the environmental and social responsibility to address the negative effects of their activities.

The Human Development Index (2015) ranked Ghana relatively low in terms of inequality dimensions behind Cameroon and Kenya among countries from Sub-Sahara with similar characteristics. Further, there were mixed findings of attainment of Millennium Development Goals in 2015 as the report shows acute poverty remains pervasive in Ghana. This increase calls on mining companies who are mostly found in rural communities where low living standard abound to pursue robust strategies such as to set objectives, achieve goals, evaluate performance and report comprehensively on results to their different stakeholders. Regardless, as to how these expectations could be met relies heavily on prevailing factors that influence the approaches adopted by multinational enterprises toward CSR in the mining sector of Ghana.

2.2 CSR in African Context

The concept of CSR has been defined differently by different scholars (Hilson 2012; Murphy & Schlegelmich 2013; Weber 2008; Jenkins & Yakovleva 2006). This problem is as far as 41 years ago when Votaw (1972) posited that CSR means something but not always the same thing to everybody. To some it conveys the idea of legal responsibility or liability (Lantos

2001), to others it means socially responsible behavior on grounds of ethics and morality (Bigg 2004), simply equate it with a charitable contribution (Jensen, 2007), some take it to mean socially conscious (Brooks, 2005), many see it as a mere synonym for legitimacy in the context of being accepted to do business in society (McWilliams & Siegel 2001; Garriga & Melé, 2004).

All the above understanding of CSR was encapsulated in the famous conceptual model proposed by Carroll, (1991). This definition composed CSR into economic, legal, ethical and philanthropy. Similarly, Visser (2005) re-arranged the above model of CSR in the context of Africa as economic, philanthropic, legal and ethical (see figure 1).

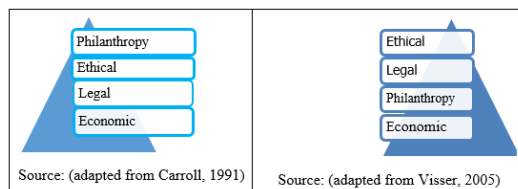


Figure 1: Composition of Corporate Social Responsibility

The re-ordering depicts the societal expectations, traditional settings and prevailing situation in Africa which determines the scope and pattern of social obligation a company should pursue. The author indicated that companies cannot succeed in failed societies and so philanthropy is an expected norm (a right to do) to salvage socio-economic problems. This has been empirically tested beyond the African context in analyzing the India experience (Prahalad 2002). The Indian experience suggested some mindset changes for converting the poor into active consumers. The first of these is seeing the poor as an opportunity to innovate rather than as a problem.

Also (Porter & Kramer 2002) argue that philanthropic activities may improve the context of competitive advantage of a company and usually create greater social value than what

individual donors or government can. Moreover (Burke & Lodgson 1996) pointed out that when philanthropic activities are closer to the company's mission, greater wealth is achieved than other kinds of donations.

Additionally, a survey involving South Africa's top companies about the motivation for CSR showed that environment and philanthropy concerns were ranked high (Triologue 2004 as cited in Amponsah-Tawiah & Dartey-Baah 2011). Obviously, philanthropy is beyond the charitable contributions and donations in the African context. This philanthropic understanding of CSR presents a challenge as to how to locate the interest of communities who play host to mining companies. It is not surprising that in Ghana studies on the socio-economic impact of CSR by mining firms lack consensus. In this paper, CSR is defined as the voluntary inclusion of social and environmental concerns into company's strategy and interaction with stakeholders beyond the minimum legal requirements (European Commission, 2006).

3. RESEARCH METHODOLOGY

The study is descriptive in nature. In the process of gathering data, credible national data sources were used. Significantly, to only make use of relevant data, the careful assessment was conducted to review data for the study as in the research of (Miles & Huberman 1994). The sample for the research involved MNE's in the large-scale mining of gold, bauxite, manganese, and diamond level "A" membership and whose activities are reported by the Ghana Chamber of Mines. This was purposeful and convenient as these MNEs are the leading firms in the mining sector of Ghana and their examples are emulated by others. Again, the Ghana Chamber of Mines expects its members to uphold high ethical standards and operate responsibly (Ghana Chamber of Mines, 2014). Thus,

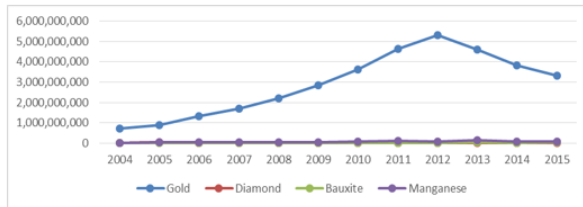
making the selection of these firms relevant for this study. The sampling technique is consistent with suggestions by (Brew et. al 2015; Sanders, Lewis & Thornhill, 2012).

In analyzing the data, an overview of the mining sector was made. This was followed by an outline of CSR activities being carried out by mining firms. Then the identified CSR activities are grouped into social and economic related in accordance with the framework of the study to examine their impact on socio-economic development. Also, periodical expenditure on CSR related activities by the sampled mining firms was analyzed to examine its rise and fall implications on the local community. Additionally, other countries expenditure on specific sectors were compared with that of Ghana with the aim of highlighting CSR impacts towards socioeconomic development. The approach in this research gives a clear insight into achieving the objectives of the study.

4. DATA ANALYSIS AND DISCUSSION

4.1 Overview of the Mining Sector of Ghana

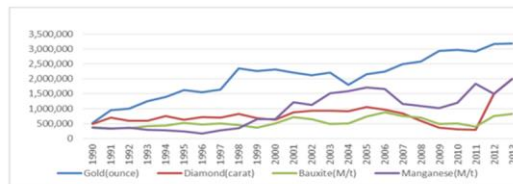
In 2012, Ghana was part of the world's top 10 and 20 leading producers by volume of gold and diamond respectively (George, 2013; Kimberley Process Rough Diamond Statistics, 2013). Gold is the highest mineral extracted in Ghana in terms of production and revenue generation (see figure 3 and 4) and most Multinational Enterprises (MNE's) in the mining sector are involved in the mining of gold. It is not surprising that many studies of the mining sector are tilted towards the gold subsector. Regardless, other major mining commodities produced in the country include bauxite and manganese and diamond.



Source: Ghana Chamber of Mines, (2015).
Figure 4: Mineral Revenue in USD (2014-2015)

Until the advent of the Economic Recovery Program in 1983 with the aim of attracting foreign investment, most Ghanaian mining companies were state-owned. Currently, the industry is dominated by MNEs. As noted by KPMG International (2014), local players constitute only twenty-four percent of large-scale mining while majority are foreign companies. There is also small-scale mining which is attributed to only Ghanaians.

4.2 Social impact of CSR



Source: 1990-1991, Mineral Commission, Statistical overview of Mining Industry
2000-2013, Ghana Chamber of Mines Annual reports
Figure 3: Mineral Production (1990-2013)

A check from the Ghana Chamber of Mines reports on MNEs indicates the CSR shown in Table 1 are the activities are/ were undertaken by mining firms.

Table 1: CSR activities of Mining Firms

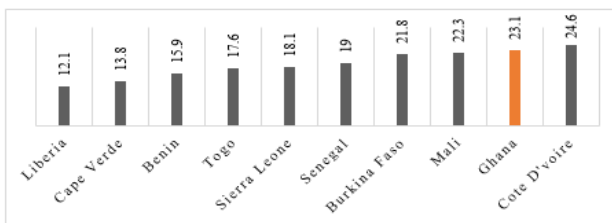
Social related	
a. Scholarship/Sponsorship	g. Medical apparatus
b. Teachers bungalows	h. Clinics
c. Books	i. Nurses quarters
d. School building	j. Provision of Health Insurances payment
e. Boreholes	k. Medical Screening
f. Library	l. Building for the police station
	m. Police quarters
Economic related	
a. Recreational centres	d. Training for local people
b. Roads	e. Provision of Agro-chemicals and inputs
c. Rural electrification	f. Employment for local people

The CSR activities above are similar to what was identified by the studies of Brew et al. (2015) and Twerefou, Aryeetey & Osei (2007). Most of these CSR activities are inclined to develop local communities affected by mining operations to promote healthy company-community relationship. In doing so, some of the mining firms have established a fund for CSR activities. Goldfields Ghana Limited since 2002 has a foundation which is based on the annual contribution of US\$1.00 for every ounce of gold produce plus 0.5 percent of pre-tax profits. On this, Boon & Ababio (2009) asserted that such contribution could amount to over US\$ 1 million a year to finance CSR projects.

In health-related CSRs, AngloGold Ashanti has been involved in Malaria control program to fight the disease in Obuasi and its surrounding towns. The malaria project is the highlight of the several health sectors related CSR activities undertaken by mining firms. These activities include clinics, nurse's quarters, payment of National Health Insurance Scheme premium and medical screening. Mining has been associated with diseases such as malaria, diarrhea, upper respiratory diseases, skin diseases, acute conjunctivitis and mental disorders resulting from the blasting, noise, dust, and chemical such as Sulphur that pollutes water (Antwi, 2010). And so, it is prudent for firms to engaging in mining projects to bring community members closer to healthcare and support government efforts in ensuring accessible, affordable and quality health delivery to citizens.

Similarly, the proximity of health facilities presents relief to community members who until then had to incur the high cost and the risk of traveling some distance for health matters. Obviously, such health-related CSR activities of mining firms have saved lives and have aided communities on the path of socio-economic development.

With regards to education, based on researchers' calculation as reported by the Ghana Chamber of mines, from 2007 to 2015, an amount of US\$19,353,684 was invested by mining firms in various literacy and educational infrastructure. These investments are seen in school buildings, books, scholarship from the basic level of education to the university. The Ghana Manganese companies, for example, contributed US\$200,000 to the University of Mines at Tarkwa (UMaT) to build hostels. A closer look at government expenditure on education shows that Ghana is among the top spending countries in the sector. A comparison of expenditure on public education with other countries from 2006-2009, Ghana allocated 23.1% of its resources to education, which is second highest among 10 African countries (see Figure 4).

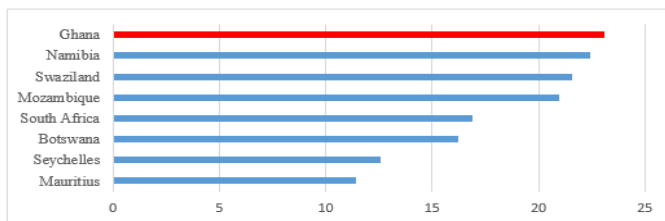


Source: Ghana Ministry of Education, (2012).

Figure 4: International comparison of education expenditure as % of total government expenditure (2006-2009)

In the Economic Community of West African States sub-region, Ghana ranks 2nd in terms of share of Government expenditure allocated to education after Cote d'Ivoire. The three countries with lowest shares were Liberia (12.1%), Cape Verde (13.8%) and Benin (15.9%). A further comparison shows that, for the period 2006-2009, the % of Ghana's public expenditure on education as a % of total government expenditure ranks 1st among these Southern African Development Community countries (see figure 5). This suffices that such support from mining firms to government efforts in education is by no small means to provide access to education and to minimize illiteracy

rate. Indeed, an enlightened society is an appreciable indicator of socio-economic development.



Source: Ghana Ministry of Education, (2012)

Figure 5: International comparison of public education expenditure as a % of total government expenditure

4.3 Economic impact of CSR

In terms of direct employment, at the end of 2015, the Ghana Chamber of Mines reported about 9,762 Ghanaians representing 98.2% of total mining sector employees were employed by mining firms. The number of expatriates employed in the mining firms was 177 which constituted 1.8%. Some mining firms such as Newmont Ghana are also involved in upgrading the skills of employees and providing vocational training for local community's members who lack the know-how needed to explore the vacancies in the mining industry. Also, statutory payment by mining companies in the form of social security contribution for their employees increased from GH¢9,563,180 in 2007 to 27,064,396.81 in 2015. These are a future investment for employees and as well as long-term funds for capital formation for the Country. The above provides sustenance and the long-term path towards the attainment of socio-economic development for employees and Ghana in general.

Moreover, the support of mining companies is seen beyond local communities. A consortium of mining companies in the country (Newmont Ghana Limited, AngloGold Ashanti Limited, Golden Star Resources and Goldfields Ghana) offered to build a plant at Tema at a cost of 40 million dollars to supply 80 megawatts of power to supplement energy generation

efforts. Also, the Ghana manganese companies transmitted electricity to the Tarkwa-Benso Community. Given that Ghana is faced with over a decade of unstable power supply affecting the operations of businesses and such supports from mining firms augment government attempts to solve the problem. The significance of reliable energy supply in the conduct of day to day businesses cannot be overemphasized and contributions of mining firms in this regard had impacted positively on socio-economic development.

Furthermore, mining companies in partnership with Metropolitan, Municipal and District Assemblies (MMDAs) plan and finance local community projects such as roads to ease transportation pressures. This is seen in the renovation of feeder roads for the people of Akyempim by the Ghana Magnesium Companies. Inevitably, infrastructure links villages and towns, ease movement of people as well as extend the boundaries of trade. It is not surprising that that the presence of mining firms in local communities improves trading activities especially in foodstuffs like plantain, palm oil as well as construction materials such as cement, concrete blocks, hotels, restaurants, and shops. Clearly, as economic activities and social interaction increases, it translates into improving the livelihood of people and hence achieving socio-economic development.

4.4 CSR activities that require improvement

Observing the expenditure pattern of socioeconomic related CSR carried out by mining firms reveals a worrying trend (see Table 2).

Table 2: Percentage expenditure (US) from 2007-2015 on CSR related activities

CSR related	2008	2009	2010	2011	2012	2013	2014	2015
Education	39.2%	10.5%	124.5%	59.9%	48.6%	21.9%	17.5%	149.2%
Health	26.5%	87%	35.7%	61.4%	71.1%	112.5%	53.9%	45.3%
Electricity	27.3%	14.5%	84.4%	264.3%	64.7%	39.9%	48.1%	38.7%
Roads	76.7%	47.4%	6.1%	6.2%	18.3%	25.3%	27.8%	20.2%
Water	194.1%	56.2%	138.5%	111.7%	30.3%	55.9%	53.6%	8.9%
Housing	10.9%	83.6%	37.8%	6.7%	67.4%	4.7%	97.7%	85.6%
Agro-industry	101.5%	93.5%	-	8.6%	182.9%	16.1%	56.3%	-
Agriculture	186%	60.7%	32.6%	73.9%	8.8%	75.6%	5.4%	76.4%
Sanitation	54.2%	43.8%	13.8%	3.2%	99.6%	44.1%	118.2%	64.9%
Resettlement Action Plan	87.4%	40.9%	48.8%	2365.2%	74.2%	99.1%	4308.5%	59.1%
Alternative Livelihood Projects	65.7%	19.6%	177.3%	16.3%	953.4%	33.3%	247.4%	77.6%

Source: Authors calculation base on Ghana Chamber of mines report (2015)

*increase ↑ decrease ↓

Note: The percentage change shown in 2008 is in reference to 2007. Also, no figure was reported for Agro-industry in 2010 and so the percentage change in 2011 is on 2009.

Table 2 shows the percentage change in CSR related expenditure on education, health, electricity, roads, housing, agro-industry, agriculture, sanitation, resettlement action plan and alternative livelihood projects from 2007 to 2015. From the table, 2010 received an increased percentage of expenditure in all CSR related activities of mining firms except for Agro-industry. To the contrary, 2009 recorded the most significant decreased in percentage of expenditure followed by 2013, 2015, 2014, 2013 and 2012. In terms of the most frequent CSR related activity that suffers the most decreased percentage of expenditure, it was electricity in 2008, 2009, 2012, 2013 and 2015, followed by water in 2009, 2012, 2013, 2014 and 2015 and then that of roads in 2009, 2011, 2014, 2015, Agriculture in 2009, 2013, 2014 and 2015 as well as sanitation in 2008, 2009 and 2015, resettlement action plan in 2008, 2012 and 2013 and also Alternative Livelihood projects in 2008, 2010 and 2012.

Inevitably the increases and decreases in expenditure on CSR related activities without proper public engagement to clarify the reasons for such occurrences potentially cause resentment towards mining firms from the local community. Also, there was no record of expenditure on agro-industry for

2010, 2015 and it received the lowest expenditure (see figure 6). The major sources of income for most local community members in mining fields is farming and with mining operations causing loss of farmlands local communities would expect inputs from mining firms to at least boost the productivity of the remaining farmlands (Twerefou 2009). On this note, the lack of expenditure on the agro-industry to help farmers remain in the cultivation of land creates high tension between mining firms and the local community.

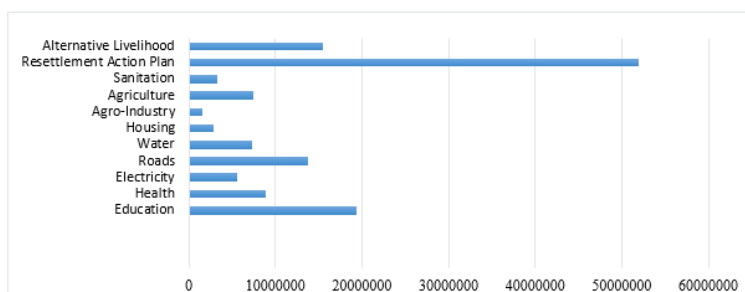


Figure 6: Mining firms expenditure (US) on CSR related activities from 2007-2015

Additionally, from Figure 6, expenditure on sanitation and water for the period 2007-2015 require more expenses if the mining firms are to make any meaningful impact in this area. Given that poor sanitation negatively impacts on the health of the local community thereby leading to contraction of diseases, in order to promote the agenda of good health and to militate against aforementioned diseases brought about by mining, expenditure on sanitation and good drinking water should be a priority CSR project.

Generally, there are mixed feelings about the impact of mining on the host community and country. Positively it could generate local employment, training and new pathways for young people (Measham & Fleming, 2013). Negatively the community where mining largely takes place stretches the capacity of available health facilities, increases the cost of

housing rents, attracts an influx of people from outside which threatens security and peace and in some cases, raises social vices such as prostitution and drug abuse (Littlewood 2014). Despite that environmental impact of mining are not clearly discussed in this study, the mining operations destroy crops and pollute water sources and since there are minimal regards to saving the situation, it culminates into lots of resentment from local residents which hinders smooth company-community relationship (Terminski 2012; Yeboah 2008). In a World Bank study published in 2006 and a further study by the European Union in 2012 as cited in Lawson and Bentil (2014), deforestation is a major problem in Ghana. In their estimation, an average of 125,400 ha of forest cover in Ghana was lost per year between the period 1990 and 2010.

Also, about 10% of GDP annually was attributed to the cost of environmental degradation. The massive loss of agrarian land coupled with lack of social services like good drinking water, public toilets, housing and roads often spark violent, protest, and threats in mining communities. Tactfully, socio-economic threats could be addressed through carefully thought stakeholder engagement strategies to reduce major negative impacts of mining activities on the community during, before and after issuing a permit to mining firms to operate (Government of Ghana, 2010). In doing so health facilities may be expanded, roads are constructed to link villages to towns and cities, boreholes are provided for quality drinking water, houses are constructed for the workforce, communities are engaged on how employment issues will include residents and many more.

Therefore, the insufficient investment in housing, sanitation, water, and agro-industry requires urgent attention to address foreseeable confusion in mining communities. Critically looking at the expenditure pattern, it is worthy to ask whether the CSR activities are what the community asked for or mining companies do what they deem fit. Also, the

expenditure pattern displays lack internal dimension to CSR. In that CSR activities towards employees, management, health, and safety as well as industrial relations are equally important as the external dimension to the local community and beyond (Jones, Bowen & Tench, 2009).

5. CONCLUSION AND RECOMMENDATIONS

This paper has examined CSR activities of mining firms in Ghana and its impacts on socioeconomic development. The study has widened the deliberation of resolving conflicts in all mining fields in Ghana. It has served as a platform to voice concerns of local communities that host bauxite, magnesium and diamond MNEs regarding CSR projects that need to be undertaken. Also, the results show that CSR has been embraced by MNE's as a tool to ameliorate the damages caused by mining activities but the race to achieving socio-economic development is far from over. The findings and discussions give meaning to the study of Ranangen and Zobel (2014). These authors compared CSR practices of the mining industry to other environmentally sensitive industries through an analysis of the academic literature. They conceded that despite the growth in the academic literature, an in-depth analysis of how CSR is practiced in the mining industry is lacking. It is to say that the increasing pressure on the mining industry to reverse the effects of their operations is leading to CSR practices that save credibility other than meet the needs of local communities (Garvin, Smoyer-Tomic & Aubynn, 2009). Nonetheless, socio-economic development is attainable in the study context with maximum attention to the following:

Managing the expectation of local community members prior, during and closure of mine sites. Obviously, local communities have their expectations before the start of mining operations based on its effects on the environment and the

possible resource flow into the communities. This indicates that if expected impacts do not meet the reality of mining operations, there is bound to be misconceptions from the local community towards mining companies. Likewise, if the positive impacts of mining outweigh the expectations of the community, then it fosters the amicable relationship between community stakeholders and mining firms.

Despite these positive expectations from mining, Richards (2002) posited that farming and forestry have a far larger footprint than mining, and probably a far greater negative environmental impact if the effects of fertilizers and pesticides are considered. Such assertion minimizes the perceived negative impact of mining in relation to other sectors. Therefore, it is appropriate to manage community perception and expectation before, during and after mining operations (Carstens & Hilson 2009). In Morrill, (1999) socio-economic development is a gradual change progressing through many stages towards some sort of expansion, improvement, or completeness of a state in which the subjects' identity is revealed. This means that socio-economic development is not static and cannot be attained within a short period of time rather it goes through processes geared towards improving the living conditions of people. Regardless, regular review, monitoring, and evaluation of CSR should be a priority of mining firms to adjust expenditures towards pressing needs of communities (Boon & Ababio 2009).

The availability of a national legal framework that guides the implementation of CSR is a necessity. Unfortunately for Ghana, there is no specific law that deals with CSR within and beyond the mining sector. The Minerals and Mining Act 2006, Act 703 section 73 (1) only deals with compensation for the disturbance of the rights of the owner or occupier in accordance with section 74. This supports Jamali & Sidani (2011) that lack of binding regulation in the form of hard law

for CSR is the primary weakness to achieve its significance. The absence of a specific legal requirement for CSR in Ghana's mining sector is a recipe to abuse discretionary powers in the conduct of business. It is of great concern that mining companies do what they identify as significant while local communities on the other hand dispute the impact of their contribution. In addition, the Companies Code (1963) provides the main corporate governance framework for registered companies. Though robust and very detailed, it requires improvement with current corporate governance developments. Further, CSR reporting is not a requirement for listed companies. Organizations that contribute to the CSR agenda in Ghana include the Commission on Human Rights and Administrative Justice (CHRAJ), Ghana Anti-Corruption Coalition, Transparency International, the media and many NGOs that deal with social and environmental issues are weak in finance and institutional terms to carry out their mandate (Atuguba et al 2006).

Moreover, the need to synchronize the different sources of information on mining firms to the local community deserves consideration. Most often, the local community receives news about mining operations from community leaders (chiefs, queen mothers, village elites, assembly representatives). In Ghana, chiefs are revered as the custodians of the land and agents of community development. Therefore, often the community leaders are contacted by mining firms. These community leaders convey information received from mining firms to local community members according to their understanding of issues discussed. The accuracy of this information could be diluted given that is a reported message from the mining firms to community members. Also, family and friends are potential sources of mining information. Situations, where friends and other family members reside in a different mining community and reports happening to siblings inadvertently relays high or

low expectations. Obviously, the role of the media in disseminating information to the citizenry from urban to local communities grows from limps to bumps. The propensity of the populace to be influenced by what they hear on the radio read from newspapers and watch on television in relation to mining are formidable outlets to form expectations. According to Haufler (2010), conflicts in mining fields come about because projects being undertaken by mining firms are not properly communicated to local community members. Clearly, the different unsynchronized sources of information are a challenge as any distortion precipitates a threat to the community-company relationship. In lieu of the above, a proper synchronization on all sources of information will ensure that the local community is well informed and empowered to participate meaningfully in CSR activities. On this note mining firms should endeavor to increase direct interactions with the local community. This could be achieved using radio stations as it has proven to be a more effective tool employed by other sectors such as agriculture extension and adult education in local community awareness creation (Nakabugu 2001).

Limitation of the study and suggestions for further research

The paper sample was limited to only large-scale Mining Multinational Enterprises whose activities are reported and hold level “A” membership with the Ghana Chamber of Mines. Other studies could focus on mining firms under a different level category by the Ghana Chamber of Mines. Also, given the increasing calls for the maximum involvement of mining stakeholders in CSR activities, it will be worthwhile for further studies to investigate whether such participation has effects on the acceptance of CSR by the local community.

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