Corporate Social Responsibility at African Mines: Linking the Past to the Present

Abigail Hilson\textsuperscript{A}, Gavin Hilson\textsuperscript{B*} and Suleman Dauda\textsuperscript{B}

\textsuperscript{A} School of Management, Royal Holloway, University of London, UK
\textsuperscript{B} Surrey Business School, University of Surrey, UK

Acknowledgements

The authors would like to thank three anonymous reviewers for comments on previous drafts. Needless to say, any errors this paper may contain are the sole responsibility of the authors.

\textsuperscript{*} Email addresses: abby.hilson@royalholloway.ac.uk (Abigail Hilson), g.m.hilson@surrey.ac.uk (Gavin Hilson)
Abstract

This paper traces the origins of the 'brand' of Corporate Social Responsibility (CSR) employed at large-scale mines across sub-Saharan Africa. Conceived within fortified resource enclaves, the policies adopted and actions taken in the area of CSR at many of the region's large-scale mines today have had minimal effect on community wellbeing. Further examination reveals that contemporary CSR strategy in the region's mining sector is often a ‘repackaging’ and ‘rebranding’ of moves made by major operators during the colonial period and early years of country independence to pacify and engage local communities. Today, this work is being championed as CSR but failing to deliver much change, its impact minimized by the economic and political forces at work in an era of globalization, during which extractive industry enclaves that are disconnected from local economies have been able to flourish. As case study of Ghana, long one of the largest gold mining economies in sub-Saharan Africa, is used to illustrate these points.
1. Introduction

The purpose of this paper is to trace the origins of the ‘brand’ of Corporate Social Responsibility (CSR) employed today at most large-scale mines in sub-Saharan Africa. It argues that the ‘enclave’ nature of the region’s foreign-financed large-scale mines (see Ferguson, 2005) has cut management off from the very communities that are typically the target of CSR exercises (after Ackah-Baidoo, 2012). This isolation, along with a general lack of pressure to reconnect with these communities, in turn, has prevented innovative grassroots-oriented CSR programs from emerging in these settings. Conceived within fortified enclaves, the policies adopted and actions taken under the banner of ‘CSR’ at many of the region’s large-scale mines have had minimal impact.

Further examination reveals that contemporary CSR strategy in the region’s mining sector is often a ‘repackaging’ or ‘rebranding’ of moves made during the colonial period and early years of country independence to pacify and engage local communities. Being a part of – in many cases – initial forays into mineral-rich sub-Saharan Africa, a large share of this work was undertaken out of necessity and therefore had a lasting impact. Despite now being branded as CSR, similar work has failed to deliver comparative levels of change at a time when extractive industry enclaves that are disconnected from local economies have been able to flourish, for the most part, unimpeded.

After reviewing the literature in a bid to explain how CSR applies to, and has been embraced by, the mining sector at its operations in developing countries, the paper expands on these points. It concludes by sharing experiences from Ghana, long the location of one of the largest gold mining industries in sub-Saharan Africa.

2. Corporate Social Responsibility: Making Sense of Contemporary Debates in the Mining Sector

What does CSR mean in the mining context and how can the sector’s major players operationalize the concept? The answer to either question is by no means straightforward because of the ‘uncertainty as to how CSR should be defined...in both the corporate and the academic world’ (Dahlsrud, 2008, p. 1). In the absence of a recognized definition that appeals to both industry and scholars, and which can be applied and adapted across sectors and to different settings, ‘Numerous definitions of CSR have been proposed and often no clear definition is given’, consequently ‘making theoretical development and measurement difficult’ (McWilliams et al., 2006, p. 1). If a ‘benchmark’ or foundation had to be established, a logical starting point would be the formative literature on CSR, the location of the most widely-referenced and agreed-upon ideas on this subject. For example, most scholars would likely echo sentiments made by Carroll (1979) four decades ago: that even today, ‘for a definition of social responsibility to fully address the entire range of obligations business has to society, it must embody the economic, legal, ethical, and discretionary categories of business performance’ (p. 499). They would also likely agree with Matten and Moon (2008), who claim that ‘CSR is the idea that it reflects the social imperatives and the social consequences of business success’, and that ‘empirically [, it] consists of clearly articulated and communicated policies and practices of corporations that reflect business responsibility for some of the wider societal good’ (p. 405).

The contentious issue that remains, however, is, as van Marrewijk (2003) explains, that without an agreed-upon ‘benchmark’ for CSR, ‘The current concepts and definitions are...often biased towards specific interests’ (p. 96) whereby ‘the precise manifestation and direction of the responsibility lie at the discretion of the corporation’ (Matten and Moon, 2008, p. 405). The mining sector, which has long been a champion and trailblazer of CSR, is no exception: there are clearly ambiguities surrounding
how this industry defines the concept and applies it in different settings. What convolutes matters even further is that the context in which these issues are explored in this paper – that is, sub-Saharan Africa – is contentious in itself. Commenting on the issue generally, Visser (2005) reports how the ‘The track record of big business in Africa is mixed at best’ because on the one hand, ‘There is certainly no shortage of examples of corporate complicity in political corruption, environmental destruction, labour exploitation and social disruption, stretching back more than 100 years’, and on the other hand, ‘there is voluminous evidence of the benefits of business bringing capital investment, job creation, skills’ (p. 1). Detailed coverage of the former explains why, as Idemudia (2014) points out, ‘given the role of Transnational Corporations (TNCs) in the process of colonial domination and exploitation in Africa, the notion of CSR for some scholars is just a euphemism that has recently re-emerged to “sugar coat” the pillage of Africa by TNCs that has lasted for hundreds of years’ (p. 422). But for mining and the extractive industries more generally, there are dynamics and processes that have given rise to these outcomes, made possible by the manoeuvrability afforded to the multinational corporations which dominate them in the region. This becomes clearer with a more nuanced analysis of the mining industry’s unique history in sub-Saharan Africa, the very unique way in which the region’s major projects have evolved over time and the landscapes where they are sited. Specifically, as a mergers and acquisitions industry, the mining sector is populated by some of the world’s largest companies which finance and control operations which have lifecycles spanning several decades. Many major projects engage in mineral extraction, processing and treatment of ore alongside rural communities that are culturally-diverse, which may explain why the industry has been very proactive, over the past three decades in particular, in communicating its position on social and environmental issues.

Although not described at the time as ‘CSR’, in the 1980s and 1990s, there were efforts made by individual mining companies to address specific areas of environmental management at selected operations worldwide. These developments, which included various auditing practices deemed state-of-the-art at the time, improved land reclamation strategies and advanced environmental management systems, were captured at length and communicated very illustratively in a series of trade magazines and industry journals (see e.g. Krauss, 1990; Fraser, 1991; Mann, 1991; Warren, 1992; Johnstone, 1992). These, and complementary, efforts would be debated and explored further in the academic literature (Sanchez, 1998; Cragg, 1998; Sinding, 1999; Smith and Underwood, 2000), in many cases garnering considerable praise from scholars. It is unclear when, exactly, the mining sector started to embrace CSR explicitly but if the literature is any indication, it was towards the turn of the century (see e.g. Cragg and Greenbaum, 2002; Hamann, 2003; Jenkins, 2004).

But why, exactly, has the mining industry decided to outwardly embrace CSR with the enthusiasm it has? At first glance, given the sector’s orientation and organization, it seems illogical for it to do so. Mining, like most capital-intensive resource extraction, does not have a ‘face’ on the High Street; nor does it have much direct contact with the public space. This means that consumers and lobby groups have little chance of ‘reaching’ individual companies to effect changes in their operational strategies and practices which they believe to be necessary. But this has not stopped the world’s largest mining companies from cultivating a culture of CSR. As Hilson (2011) explains, they have built their case mostly around three core ideas: what is referred to as a ‘Social License to Operate’; accountability; and, in tune with arguments which emerged in the 1980s, that doing so is good for business (the so-called ‘business case’). Company officials have skilfully constructed the mining-CSR narrative using experiences from North America, South Africa, Europe and Australia – the regions of the globe where their companies are headquartered and there are lengthy and rich histories of mineral extraction and processing. Perhaps in these environments, where governments tend to be more accountable to their citizens, stringent regulations are enforced and operations are monitored fairly consistently, a tangible case for CSR in the mining sector can be made.
What is not clear, however, and to elaborate on a point raised earlier, is how this position on CSR applies to developing countries, or the ‘new frontiers’ where many of the mining sector’s major players now consider to be their most important and strategic areas of production. Multinational mining companies seem to have ‘exported’ this three-pillar or a related blueprint to the likes of Ghana, Mali, Indonesia, Colombia and Peru, maintaining that the same arguments apply, despite the excessive rent-seeking, corruption, lack of accountability and human rights abuses commonly found in these settings. These arguments seem inconceivable for sub-Saharan Africa in particular, a region of the globe which performs the lowest on most development indicators, including those used by the World Bank to ‘measure’ levels of governance.

Given these circumstances, it is unclear why multinational mining firms entering sub-Saharan Africa would even consider embracing CSR. Perhaps, given the relative ‘newness’ of the setting and the unpredictability of its political regimes, for officials from globalizing mining firms venturing into uncharted mineral-rich territory, clinging to conventional CSR narratives is considered the best course of action. If the literature is even remotely acc

utable, however, there is now a sizable – and growing – disparity between the messages that these companies are preaching about CSR on the one hand, and the impacts of the policies and programs they are implementing in this area across sub-Saharan Africa on the other hand. Just over a decade ago, Frynas (2005) reflected on the flimsiness of the ‘business case’ for CSR in oil-rich sub-Saharan Africa, arguing that ‘it is not surprising that many corporate social initiatives do not go beyond narrowly philanthropic gestures’ (p. 586). As explained by the author, few CSR projects in the region’s oil-producing countries have proved effective in practice: how in Equatorial Guinea, ExxonMobil donated mosquito nets to the Health Ministry for malaria prevention, which officials then reportedly sold; in Angola, where BP reportedly distributed Asian-made condoms as part of an anti-AIDS campaign that turned out to be too small for African men; and in Nigeria, where there are many ‘non-functioning white elephants’, including unfinished schools, water projects producing unclean water, and health clinics that lack electricity, running water, basic equipment or staff.

Much of the same appears to have unfolded in the region’s mining sector, although ideas and policies in the area of CSR have manifested slightly differently, principally because, unlike offshore oil facilities, operations have a long-term, land-based presence. Whilst also comfortably protected within a fortified resource enclave, mine managers, likely more aware of their ever-present neighbours and the locale more generally, have tended to emphasize ‘communities affected by mining’ in their CSR programs and accompanying outreach. Yet, it is still unclear why, given the ‘rentier’ nature of the region’s institutions, the – at times – lackadaisical approach taken by host governments to regulate activities and the overall protection afforded by the enclave, mine managers and executives would choose to go to extreme lengths to portray efforts made to engage with the communities located alongside their operations in a such a positive light. A possible reason why could be the need to satisfy financiers’ demands for detailed information about the political regimes, economic policies and social structures of these ‘new frontiers’, a growing list of locations which is headed by many mineral-rich territories in sub-Saharan Africa. As few Western financial institutions and donors are in tune with these nuances, mine managers and executives may be asked to produce comprehensive, elaborate and convincing stakeholder engagement and mine plans.

But whilst these efforts have proved effective in appeasing and building confidence with lenders, the impact of the CSR programs and policies they have spawned is open to debate. On paper, most broach – for perhaps obvious reasons – the theme of ‘community’ but in practice, resemble very closely the actions taken at individual mines during the colonial period and early years of country independence to catalyze local development. A possible reason why, in sub-Saharan Africa, the ‘[mining] picture has
not changed much today’ [Kabemba, 2014, p. 2], is, as Butler (2011) explains, that the ‘colonialist power relations’, which ‘facilitated primitive accumulation in the past’, continue to ‘persist in the present’ (p. 91), a point which, as noted above, Idemudia (2014) broached. This, the author points out, was first recognized by Ghana’s first president, Kwame Nkrumah, who, in 1965, ‘coined the term “neo-colonialism” in reference to continued European domination of the mining sector in sub-Saharan Africa’. Initially, it was a case of foreign mining companies with interests in the likes of Zambia, Zaire and Ghana, having the freedom to continue operating from their fortified enclaves, expatriating substantial revenue (Sklar, 1975; Lanning and Mueller, 1979; Roberts, 1986; Dumett, 1988). Understandably, this frustrated Africa’s first presidencies, many of which seemed eager to bring about change. The series of state interventions made to change this and ultimately gain control of mining operations, including a series of questionable moves to nationalize, however, would fuel a rapid exodus of foreign companies and with it, the loss of crucial sources of investment. They more importantly exposed how incapable governments in sub-Saharan Africa, with their dearth of finance and skills, were to operate these large, sophisticated mining operations profitably on their own.

Unable to continue running these projects at a loss, and desperate for finance, most elected to liberalize their mining sectors, with the sole objective of attracting foreign investors. The World Bank has played an instrumental role in this process, awarding, since 1990, more than US$2.75 billion in loans and guarantees to the region to assist with the deregulation, direct financing and privatization of extractive industries (Pegg, 2006). With the backing of the Bank, other donors and powerful Western finance institutions, these companies find themselves working in rent-seeking environments where regimes tend to prioritize the collection of royalties from, and various taxes linked to, large-scale resource extraction and little else. These conditions clearly favour the operator, and have produced the ‘mineral-rich enclaves that are starkly disconnected from their national societies’ seen today, complexes which, as Ferguson (2005, p. 380) explains, ‘capital “hops” over “unusable Africa” to reach.

How has CSR in the mining sector played out in these very unique settings? The next section of the paper examines the types of strategies being implemented.

3. Corporate Social Responsibility in Mining Enclaves: The Case of Sub-Saharan Africa

Aside from perhaps featuring more obvious ‘community’ elements, the CSR programs and policies being implemented at large-scale mines across sub-Saharan Africa are, in many ways, similar to the initiatives and schemes in place in the region’s oil-rich settings (see Ackah-Baidoo, 2012). Like many of these, there seems to be a sizable difference between the needs of affected communities on the one hand, and what mining companies believe to be appropriate CSR and local development on the other hand.

From the safety of mining enclaves which, ideologically and operationally, are disconnected from surrounding communities and are backed and protected, to a large extent, by rent-seeking regimes, many managers appear to have innovatively rebranded existing and pre-existing community development strategies and policies, as well as outreach, as ‘CSR’. This has been noticeable in three areas in particular, the first being community dislocation and resettlement. During the colonial period, there was no international organization or coalition of international development NGOs which would weigh in on, and attempt influence the behaviour of, large companies. With the sole objective of large-scale industrial activity in the colonies being very different – principally to enrich Western Europe – the priority was extraction of coveted mineral resources, with very little emphasis, apart from what was deemed necessary, on local development (see Lanning and Mueller, 1979). To ‘accommodate’ mineral extraction in colonies, communities were routinely resettled, in some instances, to different
locations altogether. One of the more extreme cases took place in the South Pacific in 1945. Here, colonial authorities forcibly removed a community from Banaba Island 2000 miles across the Pacific to Northern Fiji in order to clear the way for phosphate mining (Edwards, 2013). Such large-scale resettlement was not uncommon.

It was at about this time that the word ‘compensation’ began to find its way into discussions on mine dislocation and resettlement. This was likely unavoidable, given the growing attention that was being paid globally to the sector’s poor health and safety record, a dialogue punctuated by concerns over ‘black lung’ disease in Appalachia’s coal mines (see e.g. Rasmussen, 1970; Arnold, 2016) and silicosis in South Africa’s gold mines (see e.g. Ehrlich, 2011; Nelson et al., 2011). Whilst it was only a matter of time before guidelines for compensating communities affected by mining became enshrined in laws, and land/crop payment programs and resettlement packages, were conceived, many of these changes have been largely cosmetic. Butler (2011) explains why:

In the context of the neo-liberal development model, foreign-investment-led industrial mining is understood to foster economic growth and thus contribute to poverty reduction. For such reasons, local population displacements are deemed a reasonable trade-off, given the economic benefits that are purported to accrue to the nation and the local region. The challenge then is to design effective methods for the movement of populations, resettlement, and compensation packages in order to maintain a “social licence” to operate. However, the empirical evidence demonstrating the incidence of increased impoverishment resulting from development-induced displacement has been sobering. [p. 91]

In fact, in an era of globalization in which CSR has fast emerged as a centrepiece of their management strategy, multinational mining companies operating in sub-Saharan Africa seem to have changed their position on, and portrayal of, resettlement. Mine-induced displacement, whether voluntary or involuntary, has long been recognized as destructive, causing irreversible damage to the social and cultural fabric of surrounding communities. Yet, mine management today expends a considerable amount of energy portraying inevitable community resettlement efforts and compensation exercises in a positive light. For example, on the subject of ‘Resettlement and Compensation’, Rio Tinto, which has major projects in Guinea, Mozambique, Madagascar, Namibia and South Africa, states the following on its website:

We explore all viable alternative project designs in order to minimise the need to resettle individuals and communities. Only where it is unavoidable do we resettle people or displace existing economic activity. We do not view resettlement as a short-term relocation activity: our goal is to improve the livelihoods of those resettled and their future generations over the long term. Our intention is that resettled people will be better off over time as a result of resettlement – according to their own assessment and external expert review.¹

AngloGold Ashanti, which has interests in Ghana, Tanzania, DR Congo, Guinea and Mali, has in place a similar policy, ‘Ensuring Fair Resettlement and Compensation’. It states that ‘The resettlement of any community is a complex and highly sensitive process that requires consideration of economic, social and cultural issues’, and that ‘For the resettlement process to be successful and conflict-free, it must be built

around the needs and priorities of the community’ and ‘acknowledge the importance of engaging with affected communities throughout the process and work towards improving this aspect of our work’.  

But with so little knowledge about the dynamics, needs and aspirations of local populations, it is unclear how mine management could possibly determine what constitutes ‘better off’, and whether a resettlement can be and has been ‘successful’. This could explain why, in sub-Saharan Africa, most mine-induced displacements and resettlements, from Sadiola in Mali to Benga in Mozambique (Jul-Larsen et al., 2006; Lillywhite et al., 2015; Adam et al., 2015), have experienced their share of well-documented complications (see Table 1). It appears that mine managers and executives, shielded by a bevy of newly-minted international acts, codes of practices and agreements that have emerged in the area of community development and protection, as well as the International Council on Mining and Metals, the industry’s mouthpiece on sustainable development issues (Sethi, 2005; Sethi and Emelianova 2006; Jarvie-Eggart, 2013), have not felt compelled nor pressured to make wholesale changes to mine resettlement strategy at their Africa-based projects. Certainly, most have outwardly pledged to fulfilling the requirements of a number of these policies and pacts, using community development jargon creatively, and CSR rhetoric and phrases frequently. Consider, once again, the cases of the aforementioned Rio Tinto and AngloGold Ashanti. Management at the former claim that ‘resettlement is avoided where possible, and where unavoidable proceeds in compliance with the IFC Performance Standard 5 on “Land Acquisition and Involuntary Resettlement”’, whilst officials at the latter stipulate that ‘All assessment, land access and acquisition and resettlement activities must be carried out in accordance with host country policies and regulations; and embody the principles, observe the provisions and comply with the IFC’s Performance Standard 1 (Social and Environmental Assessment and Management Systems) and Performance Standard 5 (Land Acquisition and Involuntary Resettlement)’. Overall, the mining industry has repackaged dislocation and resettlement as positive undertakings, forging ahead with exercises that mirror those pursued during the colonial period and early years of country independence to accommodate economic interests.

---


### Table 1: Selected mine-induced displacements in sub-Saharan Africa

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Mining company</th>
<th>Mine</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ghana</td>
<td>2006</td>
<td>Newmont Gold Ghana Limited</td>
<td>Ahafo Mine</td>
<td>• The company relocated 512 households to two new Resettlement Villages, a move which cost US$14 million.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Newmont Golden Ridge Resources Limited</td>
<td>Akyem Mines</td>
<td>• The company launched its Agriculture Improvement &amp; Land Access (AILAP) program to supply resettled farmers with seeds, fertilizers, and assistance with land clearing.</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>Adamus Resources Limited</td>
<td>Nzema Gold Mine</td>
<td>• The company established a ‘Resettlement’ Village for 222 households, which included three churches, on school, five teachers’ bungalows, a community centre and a football pitch.</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>AngloGold Ashanti</td>
<td>Iduapriem Mines</td>
<td>• 19 other households opted for cash compensation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Moved 2,200 people from communities located near the mine to the Salman Resettlement Village, a project which cost US$29 million.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Financed the construction of 706 structures, including 461 residences, 143 detached kitchens, 10 religious centres, and 17 commercial structures.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Launched its Livelihood Restoration Program for 500 farmers impacted by the project, and provided scholarships for students from project-affected communities.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Launched the Mankessim Resettlement Project under which 66 of the 70 houses were constructed were equipped with running water and electricity, and given access to roads.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Livelihood restoration project implemented for residents under which aquaculture services and fertilizers were provided to famers.</td>
</tr>
<tr>
<td>Kenya</td>
<td>2006</td>
<td>Base Titanium</td>
<td>Kwele Mine</td>
<td>• 486 households were relocated.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• 255 graves were exhumed and moved to a specially-created cemetery.</td>
</tr>
</tbody>
</table>
- Compensation was paid for land, agricultural crops, forest trees, structures and graves.
- Activities were packaged under the ‘Livelihood Replacement Strategy’, which was launched in partnership with the NGO, Business for Development (B4D). Under this program, a variety of activities were launched for affected peoples, including skills training through collaborative sports, enterprise development and Village Savings and Loans Association (VSLA) schemes.

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Company</th>
<th>Mine</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanzania</td>
<td>2014</td>
<td>AngloGold Ashanti</td>
<td>Geita Mine</td>
<td>Relocation of 18 households to new dwellings in Tarzan Valley.</td>
</tr>
<tr>
<td>Zambia</td>
<td>2015</td>
<td>First Quantum Minerals</td>
<td>Kansashi Mine</td>
<td>Resettled 573 of 579 families covered by its Resettlement Action Plan (RAP). Also provided compensation to beekeepers through its Livelihood Restoration Programme, as well as training in crop cultivation, livestock, hive training, hive upgrades and assistance with connecting beekeepers to the international honey market. Estimated cost of resettlement program was US$13 million.</td>
</tr>
</tbody>
</table>

A second area which international mining companies operating in sub-Saharan Africa have rebranded as ‘CSR’ is local employment. There has always been a heavy demand for – mostly unskilled – ‘black’ labour at the region’s mines. The sizable literature on the recruitment of local mine labourers during the colonial period, rich accounts of experiences in the like of Rhodesia, South Africa and Tanyganika (e.g. Phimister, 1994; Money, 2015, 2017; Larmer and Laterza, 2017), focuses mostly on conditions and class structures. But at the same time, this body of analysis underscores how dependent these mining projects were on local labour. Initially, unskilled labourers were recruited from across sub-Saharan Africa. They were provided basic accommodation; paid wages much higher than elsewhere (e.g. on the railways and in the sawmills); and in some cases, such as the Forminière in the Belgian Congo, offered goods such as shoes and clothing at subsidized prices (Daniel, 1979; Cleveland, 2015). As explained at the time, the recruitment was far-reaching:

Southern Rhodesia imports labour from Northern Rhodesia, Nyasaland (non-recruited) and Portuguese East Africa. Northern Rhodesian labour has also been widely used in the Belgian Congo, while the movement to Southern Rhodesia still remains, and in addition the new copper mines of the territory attract labour. [ILO, 1935, p. 27]

As the literature points out, initially, recruited ‘black’ mine labourers in colonial Africa endured very difficult work and living conditions, such as the communal sanitary arrangements, dearth of educational facilities (for children) and shared accommodation seen in the Copperbelt in the 1930s (Daniel, 1979). It was only a matter of time, however, that the negotiating position of ‘black’ labourers would improve, given their relatively monopolistic position as low-skilled assistance. The establishment of smaller associations which helped workers cope with their challenging lifestyles and ultimately pressured mine management to improve working conditions, provided a foundation for local uprisings and protests. It also facilitated the eventual passing of safety and health-related legislation that would gradually lead to improved working conditions for ‘black’ labourers (Phimister, 1974; Perrings, 1977; Makambe, 1994). One scholar (Hochschild, 1956) described these “improved” living conditions at the time:

...the African mineworkers, too, have for many years enjoyed pay and living and working conditions which, by African standards, are so high as to attract them to these mines without any recruitment...the African coming to work on the Copperbelt can bring his family to live with him in a rent-free brick house equipped with electric light, running water, and modern sewerage. The Africans are fed by the companies or reimbursed for the cost of their food; they have medical facilities as good as those serving most people in the United Kingdom; and for their entertainment there are well-built cinemas, libraries, recreation clubs, and sports grounds. [p. 44-45]

Whilst perhaps an exaggerated assessment, there is little disputing that both African mine labourers and managers were aware of the indispensable function played by the former at the time, growing recognition of which improved their terms for negotiating and ultimately led to marked changes in their working conditions. By the 1920s and 1930s, ‘blacks’ had become a sizable and influential segment of the mine labour force in all corners of sub-Saharan Africa (See Table 2). They had also proved themselves adaptable to industrial processes. It was realized, at this time, that, in areas such as the present-day Zambian Copperbelt, ‘if given adequate training’, Africans ‘would become competitive with the lower grades of European workmen’, which, ‘in the Belgian Congo mines, just a
few miles away across the border’, was already happening (Hochschild, 1956, p. 45). These developments mirrored what seemed to be the norm in the mining sector at the time: as Harvey’s (1981) seminal work on Rio Tinto revealed, as early as the late-1880s, at its operation in Spain, the company had educated more than 1200 children free of charge across seven schools with a staff of 25 qualified teachers, after which, local educational facilities were expanded to meet the needs of a growing population, and later recruited the best-performing students to fill top positions at the mine.

The foreign mining companies that have arrived in sub-Saharan Africa over the past three decades have relied heavily on local populations to fill – mostly unskilled – work positions. Rarely, however, have managers and executives acknowledged the century-old, region-wide, local recruitment networks cultivated by their predecessors. Rio Tinto, for example, which reported that in 2015, it employed 7000 Africans (Rio Tinto, 2015), showcases how, at its Richards Bay Minerals project in South Africa, it enrolled 81 individuals from four communities near the mine on short-course construction skills training, where ‘Hundreds more young people are expected to undergo training over the next few years’ (Davies, 2016). Similarly, Acacia Mining (majority owned by Barrick Gold), has reported that, at its North Mara Mine in Tanzania, it is working to ‘develop the skills of ABG’s 4,800 employees (90 per cent of whom are Tanzanian) as well as other Tanzanians to work in mining or become industry suppliers’, along with ‘providing over 1,000 jobs’. From these, and related, examples, it appears that the hiring of local people, which, despite being a hallmark of mine management strategy in sub-Saharan Africa for more than 100 years, has been strategically rebranded as ‘community development’ or placed under similar banners by the industry’s largest companies.

Table 2: Mine labour forces in selected African colonies

<table>
<thead>
<tr>
<th>Colony</th>
<th>Year</th>
<th>Size of African Labour Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union of South Africa</td>
<td>1895</td>
<td>40,000</td>
</tr>
<tr>
<td></td>
<td>1934</td>
<td>244,262</td>
</tr>
<tr>
<td>Basutoland</td>
<td>1933</td>
<td>25,803</td>
</tr>
<tr>
<td>Bechuanaland</td>
<td>1927</td>
<td>1,800</td>
</tr>
<tr>
<td></td>
<td>1932</td>
<td>4,300</td>
</tr>
<tr>
<td>Swaziland</td>
<td>1930</td>
<td>5,280</td>
</tr>
<tr>
<td>Southern Rhodesia</td>
<td>1931</td>
<td>38,463</td>
</tr>
<tr>
<td></td>
<td>1933</td>
<td>42,452</td>
</tr>
</tbody>
</table>

Source: International Labour Office, 1935; Daniel, 1979

Today, it is becoming increasingly apparent that large-scale mining is no longer the employment engine it perhaps once was. Record levels of investment and booming mineral extraction and exploration have failed to generate substantial employment, largely because of the mechanized nature of activities. Specifically, whilst reforms may have catalyzed investment and facilitated technological development in, and in the process transformed, countries such as Ghana, Mali and Tanzania into world-class gold producers, turned Mozambique into a significant aluminium miner, and put Mauritania’s iron ore on the map, the number of jobs created by the resulting resource booms has been disappointingly low. The mine workforces in these, and other, African countries, only number in the tens of thousands, as illustrated very clearly by the gold mining sector (Table 3). Surveyed data also reveal that there is a fairly sizable discrepancy between the average salaries of Africans on the one hand, and expatriate workers on the other hand (Table 4). The recent proliferation

5 ‘Statement from Barrick Gold Corporation concerning the North Mara Mine, Tanzania’
of Local content policies, deliberate moves made to ‘give local stakeholders access to economic opportunities, whether they are related to employment, participation in supply chains or the provision of other related support services’ (Esteves et al., 2013, p. 2) across sub-Saharan Africa (see Esteves et al., 2011; Nwapi, 2015; Dietsche, 2016) are seen here as an admission that under reform, the mining sector has failed to create jobs.

Table 3: Mine employment in selected countries in sub-Saharan Africa

<table>
<thead>
<tr>
<th>Mine and Location</th>
<th>Company</th>
<th>Production (Oz) and Year</th>
<th>Number of Employees (exc. Contractors)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Mara, Tanzania</td>
<td>African Barrick Gold</td>
<td>287,188 2015</td>
<td>1,648</td>
</tr>
<tr>
<td>Bulyanhulu Mine, Tanzania</td>
<td>African Barrick Gold</td>
<td>273,552 2015</td>
<td>1,190</td>
</tr>
<tr>
<td>Buzwagi Gold Mine, Tanzania</td>
<td>African Barrick Gold</td>
<td>171,172 2015</td>
<td>355</td>
</tr>
<tr>
<td>Geita, Tanzania</td>
<td>AngloGold Ashanti</td>
<td>531,000 2012</td>
<td>1,618</td>
</tr>
<tr>
<td>Kibali, Democratic Republic</td>
<td>AngloGold Ashanti and</td>
<td>236 982 2014</td>
<td>701</td>
</tr>
<tr>
<td>Republic of Congo</td>
<td>Randgold</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sadiola, Mali</td>
<td>AngloGold Ashanti and</td>
<td>100,000 2012</td>
<td>863</td>
</tr>
<tr>
<td></td>
<td>IamGold</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Otjikoto Mine, Namibia</td>
<td>B2Gold</td>
<td>36,172 (2016: 2nd quarter)</td>
<td>507</td>
</tr>
</tbody>
</table>


Table 4: Salary disparities in mine labour in selected countries in sub-Saharan Africa

<table>
<thead>
<tr>
<th>Country</th>
<th>Local average annual salary (US$)</th>
<th>Imported average annual salary (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>40,800</td>
<td>135,700</td>
</tr>
<tr>
<td>DR Congo</td>
<td>53,000</td>
<td>104,500</td>
</tr>
<tr>
<td>Ghana</td>
<td>39,200</td>
<td>152,100</td>
</tr>
<tr>
<td>Mozambique</td>
<td>45,100</td>
<td>116,700</td>
</tr>
<tr>
<td>Namibia</td>
<td>47,700</td>
<td>93,700</td>
</tr>
<tr>
<td>Zambia</td>
<td>48,600</td>
<td>127,000</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>41,200</td>
<td>113,500</td>
</tr>
</tbody>
</table>

Source: Hays, 2013

This links to a third area that is often ‘rebranded’ by mining companies as CSR: local economic development. During the colonial period, because of their remoteness and needs, the mines that had
surfaced were true ‘growth poles’, clusters of industrial development capable of fostering economic
development. Katzenellenbogen (1975) provides a particularly insightful explanation:

In order to attract to Africa the skilled men required – and in the late nineteenth and early
twentieth centuries Africa was quite justifiably regarded as a dangerous place in which to work
– the mining companies not only had to provide sufficiently high salaries and fringe benefits;
they also had to mobilize and train thousands of unskilled and semi-skilled workers. It was soon
realized that in order to maintain an efficient labour force, it was necessary to create permanent
townships, complete with housing, health services, water supplies, sanitation, training and
recreational facilities and so on. Mining also required a host of ancillary enterprises – repair
shops, smelting plan and facilities for the manufacture of iron and steel, cement and many other
products – as well as service industries such as electricity-generating. The towns that grew up
around the mines created a demand for food, clothing, fuel, housing and other supplies and
services that entrepreneurs were eager to meet. Trading stores and banks opening their doors,
while many craftsmen, such as bicycle repairers, motor mechanics and photographers, found
employment. Mines also supplied substantial public revenues through taxation, license fees,
and, in some cases, the colonial government’s shareholding in an enterprise, thereby helping to
finance various state services or to subsidize other sectors of the economy. In general terms,
mixing was one of the fundamental multiplier-accelerators of economic growth. [p. 361]

Although the investment landscape of sub-Saharan Africa has since changed dramatically, the view
that ‘growth poles’ can deliver crucial injections of investment and facilitate much-needed economic
development has not. The ‘growth poles’ idea continues to be championed by many donors as a
developmental solution to the region’s economic woes.

Its biggest proponent is the World Bank, the chief architect of mining sector reform and ultimately the
main force behind the establishment of resource enclaves in sub-Saharan Africa. The Bank recently
implemented a series of ‘Growth Poles Projects’ launched specifically ‘to help African countries deploy
a critical mass of reforms, infrastructure investments, and skills building for the industries and
locations of highest potential’ (World Bank, 2011, p. 11). The impact of mining, a centrepiece of most
of these projects, has been negligible at best, although claims made by company executives suggest
otherwise. They have showcased examples such as North Mara, Tanzania, where reportedly, ‘For
every one Acacia employee, 11 jobs are created elsewhere in the Tanzanian economy’ and that overall,
‘Acacia supported 53,943 jobs in Tanzania in 2014’. Such cases, however, are the exception rather
than the rule. As World Bank officials argue, ‘Central to the growth pole is a group of dynamic
industries that are connected around a particular resource...[,] constellation industries [which] are—
by virtue of their dimension or negotiation strength—expected to have the capacity to innovate and
adapt to market conditions’ (Speakman and Koivisto, 2013, p. 95). But these dynamics rarely come to
fruition because the remote geographical locations in which large-scale mines are found today are
now connected via complex transport and communications links, and, therefore, there is less of a need
to procure locally.

To support fully the view that, under these circumstances, mines are capable of being ‘growth poles’
in remote areas of sub-Saharan Africa would be to deny that resource enclavity exists. Gajigo et al.

(2012) casts important light on why this is a developmental problem that cannot be ignored, focusing on experiences from the gold mining sector:

...most gold mines in Africa are economic enclaves having limited linkages with the rest of the economy...The capital-intensive nature of mining suggests that limited linkages are likely to remain a fact of the industry... there are almost no forward linkages for the local economies from gold mining...Backward linkages with other sectors of the economy are created when the activity concerned creates a demand for local goods and services. In the case of gold mining, this could include local contractors for associated infrastructure components or manufacturers of materials such as explosives, chemicals and fuel; and providers of services including transportation, legal and financial services. For most gold producing African countries, few of these goods and services are sourced locally. For example, adequate machinery and equipment are prerequisites in the capital-intensive gold mining industry and almost all of these are imported (except for operations in South Africa). Consumables such as fuel, explosives and chemicals (cyanide, mercury, ammonium nitrate, etc.) are also usually imported. This means that almost all hardware is imported, and only a few non-tradable services are sourced locally...[p. 13]

In most countries in sub-Saharan Africa, the duties on these supplies and this equipment are typically waived as part of a strategy to entice international mining companies to the region (Campbell, 2003). At the same time, this stifles efforts to develop local mine services companies, as these tax breaks create a ‘space’ for established international equipment suppliers to flood the local market. The ease with which to source this equipment and other quality mine services no doubt factors into a company’s decision to finance a project in sub-Saharan Africa or elsewhere. Do proponents of ‘growth poles’ expect local companies to emerge and compete with established, well-networked and in some cases, listed, suppliers and service providers, as well as their local distributers and partners? This would require, for example, dethroning the Mantric Group, a Caterpillar dealer in Ghana, Kenya, Sierra Leone, Tanzania and Uganda;7 JA Delmas, present in the African market for 160 years and a Caterpillar dealer since 1932 in 11 countries in West Africa;8 and Barloworld Equipment, which began distributing Caterpillar equipment in the Natal and Transvaal regions in 1927.9

With an established network of support services already in place, therefore, new mines no longer catalyze the downstream and upstream linkages they once did. It appears that, and as already suggested, the surging interest in, and actions taken in the area of, Local content across sub-Saharan Africa is a reflection of this. Although initially and mostly unveiled in sub-Saharan Africa in the oil and gas sector, Local content has fast become a centrepiece of the region’s mining industry, and is enshrined in the Africa Mining Vision.10 Whilst unrealistic to expect incoming mining companies to ‘create’ markets for local populations, as well as support and nurture the development of indigenous service providers to a level where they are capable of competing with the likes of Caterpillar or Boart Longyear, many have responded quite positively to newly-minted Local content policies at selected sites. These are certainly positive developments but their impact is unlikely to be significant, and certainly not transformative in the way in which proponents of ‘growth poles’ believe. Perhaps most significantly, without Local content policies, it is unlikely that these activities would have materialized altogether. Nevertheless, multinational mining companies have gone to considerable lengths to

10 A mining-led development manifesto for Africa, launched by the continent’s governments, in 2008.
publicize and raise awareness of these efforts, along with the host of infrastructural projects they have financed in the rural sections of sub-Saharan Africa where they currently operate (Table 5). For the region’s mining enclaves, therefore, the ‘face’ of local economic development has become a combination of these menial income-earning activities, the long-term sustainability of which is open to debate, and basic infrastructure constructed for communities, efforts buoyed by unsubstantiated rhetoric about growth poles.
<table>
<thead>
<tr>
<th>Mine</th>
<th>Location</th>
<th>Local Content</th>
<th>Local Economic Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rio Tinto- Simandou Mines</td>
<td>Guinea</td>
<td>The Simandou Project utilizes labour, goods and services originating from within Guinea, and includes skills and/or technology transfer from international partners to local suppliers. It emphasizes training and the mentoring of locals, and aims to add transferable skills, build the capacity of local suppliers and communities.</td>
<td>Provision of infrastructure through construction of access roads through project communities such as the 128km Beyla-to-Nzérékoré road and the renovation of two airports in Beyla and Faranah to support the transportation of goods and services. The Simandou Capacity-Building Project in Forécariah, which Emphasizes the skills training of 41,630 people, 23,684 of whom are women.</td>
</tr>
<tr>
<td>Geita Mines (AngloGold Ashanti)</td>
<td>Tanzania</td>
<td>In Partnership with Acacia Mining plc and the government, the company is working to address the specific need for technical vocational skills. In 2008, an Integrated Mine Technical Training (IMTT) Programme was created to offer world-class training to the local population.</td>
<td>Completion of the US$6 Million Geita Water Project, which benefits more than 150,000 people within the mine catchment area.</td>
</tr>
<tr>
<td>Newmont Ahafo Mine</td>
<td>Ghana</td>
<td>Newmont Ghana has indicated that it is committed to having a minimum of 35 percent of its employees drawn from local areas. It has facilitated this through a policy that requires the mine to sources all unskilled jobs and selected supplies from communities found within the Mining Lease Area. Newmont officials claim that the company is committed to improving the economic conditions of host communities through capacity building programs for selected local Micro, Small, and Medium Scale Enterprises to ensure that they are</td>
<td>A number of infrastructure projects, including construction of six-unit classroom block with a library for Kenyasi No. 2 community, and fully-furnished four-unit teachers’ quarters. Mine managers distributed 1250 solar lamps to basic school pupils living in its resettlement communities and implemented an apprenticeship program for 520 youths in the Ahafo Catchment Area.</td>
</tr>
<tr>
<td>Company</td>
<td>Country</td>
<td>Program Description</td>
<td>Outcome Description</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>AngloGold Ashanti Vaal River and West Wits Mines</td>
<td>South Africa</td>
<td>Under the auspices of the Enterprise Development Centres Program (EDC), business hubs are being developed to provide tender information, supply opportunities, and to provide training facilities such as computers and internet access to aspiring suppliers. The intention is not only to position businesses to supply AngloGold Ashanti, but also to have broader access to alternative markets and customers in the sub-region.</td>
<td>Ongoing implementation of EDCs is underway in the Merafong and Matlosana municipalities, where the companies have worked closely with suppliers, advising them on capacity building and how to raise business standards in order to position them to compete as potential vendors. The carry out work on youth development through the Youth Technical Skills Development Program. Under this program, 750 youth from Tambo Municipality have been trained in skills such as welding, bricklaying, plumbing and carpentry.</td>
</tr>
<tr>
<td>Barrick Gold-Lumwana Mine</td>
<td>Zambia</td>
<td>The development of recruitment and retention programs targeted specifically at local communities has helped the company employ local people whenever possible and created what its managers believe to be a culturally-appropriate work environment. To stimulate the economic growth in Zambia, the company launched the Local Contractor Development (LCD) program, which provides training to local contractors in procurement practices at levels that meet Barrick’s standards. The belief is that as local entrepreneurs began to enhance their capabilities through the LCD program, they will start to land larger and more complex contracts from the mine.</td>
<td>In partnership with the Lumwana Property Development Company, Barrick constructed a new town adjacent to the mine. It is comprised of 1000 houses, commercial and retail areas, schools as well as sporting and healthcare facilities. It accommodates 5000 mine employees and their families. Through the Lumwana Development Trust Fund, Barrick formally unveiled 22 projects, including schools, staff houses, rural health centres and several production centres that provide employment opportunities to women.</td>
</tr>
</tbody>
</table>

The next section of the paper builds on these points, drawing on the case of Ghana.

4. The Case of Ghana

Ghana has long been a major mineral producer. Apart from hosting rich reserves of manganese and bauxite, to date, it has produced more rough diamonds than any other country in West Africa. It has, however, been mostly associated with the mining of gold, and today, ranks as the second-largest producer of the metal in sub-Saharan Africa and tenth largest producer in the world.

These achievements are owed largely to a series of tax breaks given to mine operators, enshrined initially in the Minerals and Mining Law (PNDCL 153), 1986. Under the guidance of the World Bank and IMF and implemented alongside an ambitious Economic Recovery Program, the law sought to revitalize Ghana’s hitherto deteriorating mining sector. Its designers believed that these generous investment incentives would lure foreign multinational mining and mineral exploration companies to the country’s shores. Success was immediate: according to government records, during the period 1983-1998 alone, US$4 billion in private investment capital was injected into the mining sector for mineral exploration, and for the establishment of new mines as well as in the expansion and rehabilitation of already existing operations (Aryee, 2001). In 2006, the country implemented a more comprehensive piece of mining legislation, The Minerals and Mining Act, and more recently, passed the Minerals and Mining Amendment Act 2010. The latter raised the royalty on profits from 3 to 5 percent. At the time of writing, there were 11 operational gold mines and an estimated 230 active prospecting licenses.

The focus here is on actions taken in the CSR sphere at the country’s gold mines, specifically, how their managers have conceptualized and ‘operationalized’ the concept in recent decades. It follows the points raised in the previous section of the paper, illustrating further how experiences in the colonial period helped to cultivate the current culture of CSR in Ghana’s mining sector. In doing so, it focuses on two of the abovementioned three areas: local employment and local economic development.

4.1 Large-scale mining as an employment engine

Ghana’s major gold mine operators have not shied away from communicating publicly their efforts to facilitate local economic development. Media coverage of schemes and policies implemented by mining companies aimed at improving the infrastructure in, and economic prospects for, surrounding localities began to intensify in the mid-2000s. It was at about this time that the price of gold began to rise, fuelling marked increases in mine production across the globe. Ghana benefitted enormously from the increasing gold price: its Chirano Mine, now owned by Canadian-based Kinross, opened in 2005; Newmont’s flagship Ahafo Mine began production in 2006; and AngloGold Ashanti’s Obuasi Mine, which, because of its underground design, has always had high operational costs, experienced a surge in profits. The increase in production at this time was pronounced, and despite having stabilization agreements in place with both Newmont and AngloGold Ashanti, negotiated at a point when the gold price was very low, the quantity of royalties collected by the government rose precipitously. This was a pivotal time because it set the stage for what had been, for the most part, a rather unimpressive period of mining CSR in Ghana.

This differs markedly from what had reportedly taken place in the former Gold Coast Colony and during the years following country independence, although the circumstances were, understandably, very different. The newly-established mines in the locality of Tarkwa in the Western Region and
Obuasi in the Ashanti Region of the Gold Coast both had acute labour shortages. This problem, or what was fittingly labelled the ‘labour question’, had, as Crisp (1984) explains, become visible during the colony’s ‘jungle boom’ of the 1880s.

A number of obstacles confronted the first mining companies...The most important obstacle to the development of modern mining was what became known amongst British entrepreneurs and investors as the ‘labour question’...What exactly was the labour question?...mining capital wanted three things: a regular and adequate supply of native workers; a labour force that was efficient and reliable, and one that was willing to work for low wages. These demands, and the failure of the mining industry to satisfy them, constituted the labour question of the late 19th Century...[p. 19-20]

By the turn of the century, the problem was very real. Pioneering industrialists and supporters of the mining sector believed that an additional 12,000 labourers, as well as laws, compounds and a Native Labour Association capable of recruiting workers, was needed. In line with the general literature on mining in sub-Saharan Africa during the colonial period, scholarship on the Gold Coast tends to focus on labour structures, work conditions for ‘natives’ and employee strikes. But when the challenge of assembling a workforce is viewed through a longitudinal CSR ‘lens’, it becomes clear how, in cases where they are unable to dictate the terms, companies are forced to address local concerns with greater precision. This is rarely the case today.

The challenge facing the mines at the time was, as Ofosu-Mensah (2011) explains, ‘how to maintain a labour force for the dangerous and unpleasant underground work’ (p. 14). The initial strategy pursued was what Crisp (1984) labelled ‘The Northern Territories Labour Experiment’, or the belief that people in the Gold Coast Colony’s Northern Territories could fill the labour gap at the mines and elsewhere in the south (of the colony), and would likely eagerly do so because they had few income-earning opportunities outside of subsistence farming. Tarkwa mine managers made their first request for Northern Territories labour to the Chief Commissioner of the Protectorate, who would bring to the attention of hundreds of chiefs the opportunities available (Thomas, 1973). But attempts made by mine managers in Tarkwa and Obuasi to bond incoming labourers to this work, and implement regimented work schedules, failed for a number of reasons. These included the fact that contractors constructing the railway extension from the nearby town of Prestea to Tarkwa were competing for this labour; the reluctance of chiefs to mobilize ‘able bodied men’ during the farming season; the tendency of Northern migrants to move from ‘mine to mine’ and the struggle to quickly replace vacated posts with Southern Akans, who resented underground mine work; and the lack of influence of local chiefs, whom the British used to enforce laws in the colony, to control settlers, whose allegiances to traditional authorities did not extend beyond their hometowns (Colonial Reports, 1939; Thomas, 1973, Crisp, 1984; Dummett, 1998).

Whilst companies were reluctant to oblige with workers’ demands, it is likely because of the acute shortage of mine labour that the strikes and protests by even the most unskilled masses had significant effect. This was perhaps best reflected in the salaries of unskilled African labourers, which Dummett (1998) examined at considerable length. Drawing on archival material, the author reported that, in the early-1900s ‘a glance at the ordinary scale of wages paid to unskilled Akan mine workers...shows that “starting pay” rates for underground men – average about one shilling per day – was higher than that paid by some coastal merchants for men willing to work as porters, warehousemen, and other unskilled positions of the same period’ (p. 229). Although managers did everything possible to avoid doing so, the payment of these high salaries, which for some projects, amounted to three-quarters of a project’s operational costs, underscored the seriousness of the labour problem in the Gold Coast Colony’s mining sector.
Today, as noted, the managers of the multinationals operating Ghana’s major gold mines make a concerted effort to ‘hire locally’, and have made this a main point of emphasis for their CSR programs. For example, the hiring strategy of Newmont, which has two mines in Ghana, Ahafo in the Eastern Region and Akyem in the Eastern Region, is committed to ‘Hiring locally and sourcing from local supplier’, guided by its People Policy and Sustainability and Stakeholder Engagement Policy.¹¹ Gold Fields has in place a similar Community Policy Statement, which highlights the company’s commitment to ‘prioritising local procurement and employment and measuring our contribution to local economic development’.¹² The employment data certainly support these claims. The former reports that at the end of 2015, 42 percent and 46 percent of the total workforce (inclusive of contractors), respectively, were recruited from local communities at its Ahafo and Akyem, projects.¹³ At the Gold Fields Damang mine, which is a very mature operation, there are 153 people, of whom 152 are Ghanaian, working in exploration and production, and 343 additional individuals, of whom 336 are Ghanaian, employed via contractor.¹⁴ According to the Ghana Chamber of Mines, the main minerals association in Ghana, today, a staggering 98 percent of the 9,939 persons who make up the combined workforce of its members are of Ghanaian nationality.¹⁵

But what these companies’ glossy CSR reports, and their catchy and engaging community development phrases such as ‘beyond the mine’ and ‘the global leader in sustainable gold mining’ cannot mask completely is the true character of the large-scale mine in an era of globalization: how it is a capital-intensive resource enclave, and not the employment engine advertised. Despite boasting a population of close to 30 million people and, as noted earlier, being the 10th largest gold producer in the world, Ghana’s industrial mine workforce is, at its peak, only in the range of 20,000 people; large-scale mining accounts for a very small share (1.3 percent) of the country’s workforce (Ayee et al., 2011; Ministry of Finance, 2015). This is a marked decrease in the figures recorded during the colonial period, and a true indication of the extent to which mining has mechanized in Ghana and its limited capacity to create jobs. In 1919, for example, at a time when the colony’s estimated population was just over four million people, the number of indigenous mine labourers exceeded 17,000, a figure that would reach 41,000 by 1939 (Gold Coast Reports, 1939; Austin, 2007).

On the subject of employment strategy in Ghana’s gold mining enclaves, there are three additional points worth nothing here. The first is that although Ghana’s main gold mine operators have not shied away from showcasing their local hiring policies, the strategies they are adopted are not new. They are, in the spirit of the discussion presented in the previous section of the paper, rather an extension of a long and well-established tradition of local recruitment which began during the early years of British-led mineral exploration and development in the Gold Coast Colony. The ‘labour question’ was initially addressed using recruited Kru, Bassa and Grebo men from Liberia, as well as local Akans (Southern Ghanaians). But as operations developed, local recruitment strategy would become more sophisticated, targeting Africans to fill skilled positions, in most cases from outside of gold mining districts. For example, men were recruited from Freetown (Sierra Leone), and in Ghana, Accra and

¹⁴ ‘Damang Gold Mine’.
Akuapem, locations believed to have some of the best carpenters, stone masons and blacksmiths at the time. Coastal towns such as Cape Coast, Saltpond and Elimina, which had educated masses, were targeted to fill machine operator, office and chemicals management posts (Dumett, 1998). Today’s gold mine operators have done little more than absorb this strategy of recruitment and brand it ‘CSR’, the only difference being that the scale of recruitment is far less than what it was.

Second, and a subject that is often overlooked amid the euphoria of a local recruitment campaign in Ghana’s gold mining sector, is the fluidity and insecurity of the hired labour itself. Apart from very specific skilled positions such as engineers and geologists, there is no longer a ‘labour question’ in Ghana’s gold mining sector. The pendulum has shifted away from the local masses to the companies, which, because of the flexibility they now enjoy in an era of globalization, now dictate the terms and influence negotiations in labour-related matters. With no real obligation to retain these labourers, they become expendable during depressed economic periods, a phenomenon witnessed in Ghana in recent years following sharp declines in the price of gold. Forced to lower their operating costs, Ghana’s gold mine operators have slashed a number of jobs. At the time of writing, Newmont reported that, due to plans to downsize, it has had to reduce its workforce in Ghana by cutting 600 posts; it had slashed in the range of 240 jobs in 2015. In Obuasi, the effects have been particularly severe because of the underground design and therefore particularly high operational costs of the mine. Here, AngloGold Ashanti has, since 2013, trimmed the Obuasi mine’s workforce, the most significant move being the dismissal of 5000 employees as part of a US$220 million retrenchment program. According to the Ghana Mine Workers Union, over 10,000 mineworkers – most of them Ghanaian – have lost their jobs.

The third and final point concerns the limited capacity of companies to create employment. Whilst their drive to recruit – in this case, Ghanaian – workers to fill important vacancies has been impressive, the narrative of ‘local’ has changed significantly with the maturity of a reformed gold mining sector, the growing expectation being to target individuals from settlements located around their operations. After more than a century of gold mining, the notion of ‘local development’ is today far more nuanced. In the late-1800s, most of Ghana’s mining towns were populated by migrants and had only a few thousand people, the majority of whom resided in temporary accommodation. But today, towns such as Tarkwa and Obuasi are permanent, densely populated settlements, each inhabited by thousands of families which have been rooted for many generations. The growing expectation in such towns is that residents should be the target of these recruitment campaigns. But whilst Tarkwa is now the location of a well-resourced mining university, the University of Mines and Technology, which is producing world-class surveyors, geologists and engineers, companies operating elsewhere will struggle with demands to hire locally. Specifically, in towns such as Obuasi, Kenyasi, Chirano and New Abirem, there are no such facilities capable of equipping individuals with skills and producing ‘mine ready’ labour. In these environments, even the most ambitious of companies, such as Newmont, will struggle to meet their local recruitment targets.

There is also the issue of the mining company’s ‘mindset’ that must be considered. Would mining companies recruit locally solely to satisfy the demands of their Ghana operations? Most detail their recruitment strategies on company websites. One of the more comprehensive efforts made is Toronto-based Golden Star Resources, which has two projects in Ghana. It states, ‘At our mines, senior female employees...manage the Community Affairs department, are mining engineers, safety

---

training officers, exploration geologists, metallurgists, metallurgical shift supervisors and senior environmental officers, as well as working in more traditional administrative roles’. It furthermore states that ‘The corporate Legal and Compliance Manager in Ghana is a British trained and experienced attorney, and the CEO of GSOPP is a well-known former Ghanaian Member of Parliament’. Although an issue beyond the scope of this analysis, would these staff members potentially be relocated to other sites if Golden Star Resources were to begin operating elsewhere? Do company managers train and/or recruit locally with this in mind? A quick glance around the offices of Ghana’s major mine operations would confirm that there are, indeed, employees of many nationalities. Moreover, several Ghana-trained graduates can be found in the head offices of the country’s major gold mine operators, including in Denver, Johannesburg and Toronto. In an era of globalization, the multinational mining company is not confined to operating in the country in which it is headquartered; it is boundless, free to expand to all corners of the globe and to transfer technological and human resources from site-to-site. In summary, there is no guarantee that efforts to hire local people will contribute to the long-term development of Ghana through an infusion of skills.

4.2 Local Economic Development

The gold mining sector in Ghana today is a radical departure from what it was during the colonial period. A century ago, the sector had the look of the growth pole which many officials in the donor community inexplicably contest it is today. It was inextricably tied to the expansion of the colony’s railways and harbours, the establishment of which helped to resolve what Dumett (1998) referred to as the ‘transportation problem’:

...transportation continued as the most serious barrier to mining success in the prerailway age. So long as heavy machinery had to be lifted on to canoes or surfboards for river transport and then headloaded in pieces by porters over narrow, circuitous woodland trails to the mines, there was no way that complex extraction machines could be emplaced in effective working order. [p. 154]

Without railways or serviceable roads, machinery had to be carried on the heads of porters from the nearest body of water to the mines, which was extremely costly. Moreover, given the need to travel vast distances along rivers such as the Bonsah, delays in production due to lengthy wait for parts were inevitable (Allen, 1958).

Whilst the specific role gold mining played in the development of the Gold Coast Colony has been contested, what an analysis of the sector’s expansion does reveal is the context in which it can become a growth pole. Improved transport links proved to be the tonic which the gold mining sector needed to expand and become more efficient. It was reported that the development of the port of Takoradi in the Western Region ‘attracted many aliens...who saw a tendency to stay’ (Harman, 1934, p. 62), which in part helped to stabilize the mine labour crisis by minimizing the exodus of individuals ideally-suited for low-skilled work. But it was the arrival of the railways and establishment of ports which would have the most significant transformative effect in the gold mining sector. Proposals were made in the 1880s, one for a line from Elmina to Kumasi, and another from the sea to Tarkwa, as well as a port to replace Axim, a surf port (Bevin, 1956). It was recommended that the government adopt Sekondi as a coastal rail terminal and lighter harbour. Construction on this railway began in 1898; it reached Tarkwa in 1901, Obuasi and Kumasi in 1903, and Prestea in 1910; and connected to Accra,
established as the territory’s capital in 1875, and selected as the second coastal rail terminal, in 1909, in the process establishing it as a lighter harbour (White, 1955; Allen, 1958; Hilling, 1969). Dumett (1998) provided a detailed glimpse of the growth pole gold mining had become in the colony even prior to the arrival of the railways and harbours:

...the main Western and central port towns, especially Axim and Cape Coast, became feeder ports and stopover points for steamships that regularly uploaded supplies and personnel en route to the mines – personnel who in turn had to be fed and lodged at various intermediate posts along the way. The outskirts of these same towns became beehives of activity as shipping agents supervised the transfer of expensive cargoes from ocean-going liners to river canoes for the journey up the Ankobra, or recruited scores or porters into caravans for arduous overland journey to Wassa. Market traders in fish, poultry, meat and vegetables also did a brisk business at Axim, Cape Coast and intermediate points along the route to the hinterland...

In the midst of this frenetic expansion, a building industry also flourished – both at the mining camps with numerous workers huts, warehouses, outbuildings and the housings for machinery and crushing plants – and at the coastal towns – chiefly Axim and Cape Coast – in the form of new stores, warehouses, hotels, and chop houses...the introduction of saw mills by each of the major gold companies was a significant innovation. Backward linkages were created between building construction, with its demands for raw materials, and such local production as stone quarrying, gravel crushing, and the new timber-cutting industry of the Lower Ankobra. Finally, the mechanized mines also provided instruction and experience to numbers of African skilled workers. Carpenters, wheelwrights, stonemasons, mechanics, welders, office clerks, and engine drivers got their start at the mines, and after leaving company employment, they contributed to the general development of the colony during future decades...

This commerce intensified following the construction of railways and lighter ports.

These dynamics, however, have since changed dramatically. The diminished cost of transportation, along with the presence of both a serviceable and well-connected international airport and numerous domestic airports, has lessened the dependency of the country’s mine operators on rail and road transport. Reinforcing claims made by Ferguson (2005), Ghana’s gold mines are today, true resource enclaves, nestled in a landscape punctuated by potholed roads, ramshackle houses and deteriorating infrastructure. Efforts to regenerate these deteriorated landscapes, seen as a crucial part of the development exercise during the colonial period, have been repackaged as CSR by mine operators. Management at Gold Fields, for example, has communicated its intentions to fix the ‘deplorable Tarkwa-Damang road’ which connects both of its mines. Whilst mentioning that the rehabilitation of the road will benefit farmers, who have struggled ‘to transport food produce from the various farm-gate to the near-bye communities’, it is the mine’s vehicles which accelerated its deterioration in the first place, and a main reason for its repair is to improve the access routes for the mines’ contractors.

Alongside these infrastructure projects, comprehensive local economic development programs, such as Newmont’s Livelihood Enhancement and Community Empowerment Program (LEEP), which provides vocational and technical skills training to households impacted by the company’s Ahafo operation, have been implemented.Launched in 2005, the LEEP was described in the local media, shortly after its inception, as ‘a success story’. But how sustainable are these programs? There are

---

20 ‘In the news’ [www.goldfields.com/news_article.php?articleID=3624](http://www.goldfields.com/news_article.php?articleID=3624) (Accessed 12 January 2019). The quote is extracted, verbatim, from this website. The authors recognize that the grammar is incorrect, and should read ‘...from the various farm-gates to the nearby communities...’.

two reasons for concern, the first being the lack of connection with other segments of Ghana’s economy. Despite emphasizing the forging of linkages, and receiving support from the World Bank, in the current landscape, moves to catalyze sustainable local ‘value-added’ services on the back of mine development in Ghana is virtually impossible, given the enclave setup of operations and their lack of integration into the local economy. As confirmed in a comprehensive study by Hilson and Hilson (2017), there is no evidence to suggest that these gold mines have forged linkages with other sectors of the economy or are able to do so, despite claims that suggest otherwise (see e.g. Bloch and Owusu, 2012). The second reason is the types of activities being promoted. Although companies such as Newmont and AngloGold Ashanti are helping to train local people in various vocations, most of the activities being supported are agricultural in focus. Few, however, are sustainable because they fail to address the many challenges – limited access to markets, non-existent state support and high costs of agricultural inputs – that farm families in Ghana now face (Hilson and Banchirigah, 2009). But this has not stopped the Ghana Chamber of Mines from investing a significant portion of the US$21 million it has earmarked for local economic development in farm-based activities.\footnote{Report on the Performance of the Mining Industry (2014)’ \url{http://ghanachamberofmines.org/wp-content/uploads/2016/11/Performance_of_the_Mining_Industry_in_Ghana_2014.pdf} (Accessed 7 January 2019).}

To summarize, building on points raised in the previous section of this paper, the case of Ghana illustrates very clearly that from their enclaves, the country’s gold mine operators have not been particularly ambitious on the CSR front. Consistent with what has taken place elsewhere in sub-Saharan Africa, they have, in most cases, done very little aside from ‘rebrand’ strategies and moves made during the colonial period as CSR in area of local economic development.

5. Concluding Remarks

On the subject of why, in sub-Saharan Africa, the CSR strategies and policies adopted at mines seem to lack creativity and appear incapable of having a lasting impact, the search for explanations continues. This paper first drew attention to the enclave nature of the region’s mines which, it was argued, not only impacts the flow of investment and accompanying patterns of economic development but also affects CSR strategy. The paper then drew attention to the types of CSR practices being promoted. In many cases, mining companies seem to be promoting the same ideas and financing similar projects to those implemented during the colonial period but have skilfully packaged these as CSR. The key difference, however, is that the landscape of countries such as Ghana has changed significantly, and with it, the role of mining. Specifically, during the colonial period, mining was very much in a developmental phase in settings devoid of infrastructure and services, its fate determined heavily by the efforts of its companies and champions to engage local populations. The sector’s growth coincided with a period of intensive infrastructural development, which helped transform it into a ‘growth pole’. But today, there are foundations in place, and with the mining sector being international, companies are no longer required to pledge heavily to addressing local concerns beyond the bare minimum. This could explain why many have ‘repackaged’ efforts made in the colonial period to facilitate local economic development as CSR. The case of Ghana illustrated this quite clearly.

As a point of departure, in each country, there are likely additional explanations why ‘dead’ CSR policy continues to be promoted in the mining sector. In the case of Ghana, one such reason has been a very active and vocal Ghana Chamber of Mines. Former CEO Joyce Aryee in particular must be credited with deflecting criticism of the sector’s lack of visible development during an extended period of high
gold prices (2006-2013). Despite repeated implementation of what Frynas (2005) would consider ‘white elephant projects’, Ms. Aryee continued to hint that gold mining in Ghana is a ‘growth pole’, and that individual companies are making significant contributions to local communities. Following the announcement made by World Bank officials of their intentions, in 2011, to bolster local economic development in Ghana’s mining sector, a move which conceded the lack of progress made in this area, Ms Ayree announced that ‘Buying local goods and services serves as a catalyst for private sector development, and is one of the most significant contributions the mining sector can provide to Ghana and to the region’. She furthermore stated that ‘We look forward to sharing the Ghanaian experience with other West African chambers and stakeholders’, despite there being few valuable lessons to draw from. More recently, at the Mining Indaba in 2013, Ms Aryee challenged the audience to name another sector that was not in some way reliant on mining, stating: ‘Agriculture?...Without mining, there are no tractors’. These claims, however, run counter to the abovementioned arguments made concerning mining’s positive contributions to local economic development, and concerns voiced by critics about the industry’s lack of linkages, as Ghana does not produce tractors.

The key moving forward is to no longer dwell on what mining was in the past. In an era of globalization, the dynamics and objectives of industry are very different. Once this is recognized, only then can the necessary tweaks be made to create a policy environment capable of nurturing the growth of a more sustainable large-scale mining sector in sub-Saharan Africa: one which is well-integrated into local economies, sources labour for all positions in-country, and catalyzes linkages and the growth of indigenous industries.

23 ‘Increasing Local Procurement in Mining in West Africa’

24 ‘Mining Indaba: Industry on the defensive over sustainable development’,

25 ‘Mining Indaba: Industry on the defensive over sustainable development’
References


