Corporate Social Responsibility at African Mines: Reflecting on the Past to Understand the Present

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1. Introduction

This chapter identifies and examines the antecedents of the ‘brand’ of Corporate Social Responsibility (CSR) being implemented at large-scale mines in sub-Saharan Africa. Complementing analysis presented by Ackah-Baidoo (2012) on offshore oil production in sub-Saharan Africa, it argues that the ‘enclave’ nature of the region’s foreign-financed large-scale mines has ‘cut off’ management from catchment communities. This isolation, along with a general lack of pressure from government officials, NGOs and the general public to perform responsibly, has prevented innovative CSR programs from materializing. Conceived within fortified enclaves, the policies adopted and actions taken on the CSR front at the region’s mines have mostly been inappropriate and ineffective.

These outcomes are owed in part to management’s failure to overhaul antiquated policies and practices. As will be explained, contemporary CSR strategy in the region’s mining sector is often little more than a ‘repackaging’ and ‘rebranding’ of foundational efforts made by company officials during the colonial period and formative years of country independence to pacify and engage local communities. Whilst the rhetoric may have since changed markedly, it appears that community development interventions have not.

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

Contemporary debates on CSR began to take shape in the early-1980s. It was during this time that the literature began to portray CSR in a positive light, drawing attention to how a number of companies were embracing it, as well as offering guidance on how to integrate principles into business plans and practices (e.g. Filios, 1984; Boal and Peery, 1985). This was a somewhat surprising development, as it marked a radical departure from the broad opinion of the literature produced hitherto on the subject (e.g. Bowman and Haire, 1975; Holmes, 1976; Oslund, 1977). Echoing, to a large degree, the views of Milton Friedman, author of the landmark New York Times piece, ‘The social responsibility of business is to increase its profits’ (Friedman, 1970), this body of analysis was laced with mostly sceptical, ambivalent and negative views of CSR.

Although not stated explicitly in the literature, a likely explanation for this radical shift in opinion was the rapidly-changing regulatory environment at the time. Responding to public outcry over the acid rain crisis, governments began to call on companies utilizing polluting smelters and smokestacks, as well as the manufacturers of automobiles, to retrofit existing technologies and factories in order to make their production processes more environmentally-sound. The responses of industry leaders to requests to spend tens of millions of dollars to replace existing apparatuses in order to comply with newly-minted regulations were, not surprisingly, mostly hostile. But this aggression would soon give way to acceptance; eventually, shrewd managers began to capitalize on opportunities to construct and champion fresh narratives in this new regulatory environment (see Sohn, 1982; Drucker, 1984; Carrol and Hoy, 1984). Notable among these was the idea that ‘protecting the environment is good for business’ (see e.g. Wetherhold et al., 1983; Kohn, 1984), a position that continues to be promoted by industry across the world today, and has since become the core of what is commonly referred to as the ‘business case’ for CSR (see Blomgren, 2011; Martinuzzi and Krumay, 2013; Dillard and Layzell, 2014).

What has been perhaps even most surprising is that the extractive industries – in particular, the mining sector – have led the dialogue on CSR. Financing and controlling operations with lifecycles that can span several decades, in many cases, extracting, processing and treating ore alongside rural...
communities that are culturally-diverse, the mining sector, which is now truly an international industry with tentacles that span the entire globe, has been very active, over the past three decades, in communicating its position on social and environmental issues. Although not described at the time as ‘CSR’ per se, in the 1980s and 1990s, there was a wave of 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 the installation of 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; Warhurst and Mitchell, 2000), in many cases garnering considerable praise from scholars. It is unclear when, exactly, the mining sector started to embrace CSR but if the literature is any indication, it was towards the turn of the century (see e.g. Warhurst and Mitchell, 2000; Cragg and Greenbaum, 2002; Hamann, 2003; Jenkins, 2004; Dashwood, 2005), an effort buoyed by the momentum generated by earlier environmental initiatives.

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 is it in direct contact with the public space. This means that consumers and lobby groups have little chance of ‘reaching’ individual companies to effect marked changes in their operational strategies and practices. This, however, 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 on three pillars, namely, 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 skillfully 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/or there are lengthy and rich histories of mineral extraction and processing. Perhaps in these environments, where governments tend to be more accountable to their citizenries, stringent regulations are enforced and operations are monitored fairly consistently, a tangible case for mining-CSR can be devised.

What is not clear, however, is how this particular view on CSR applies to developing countries, or the ‘new frontiers’ where 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 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 which persist in such 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 virgin territory, clinging to conventional CSR narratives was the best course of action. If the literature is even remotely accurate, 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). Few 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 projects such as health clinics that lack electricity, running water, basic equipment or staff.

Much of the same appears to be taking place 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 host governments, the – at times – lackadaisical approach taken toward regulation and the overall protection afforded by the enclave, mine managers and executives would choose to go to such extreme lengths to portray efforts made to engage with communities located alongside their Africa-based operations in a such positive light. A possible reason why concerns financiers’ demands for detailed information about the political regimes, economic policies and social structures of ‘new frontiers’, a growing list 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 have, in all likelihood, been 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 at the same time, in practice, resemble very closely the actions taken at individual mines during the colonial period and early years of country independence to facilitate local development. A possible reason why, in sub-Saharan Africa, the ‘[mining] picture has not changed much today’ [Kabamba, 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). This, the author correctly points out, was first recognized by former Ghana 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), which, understandably, frustrated Africa’s first presidencies 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 waves of nationalization, 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). Its timely intervention has helped to facilitate a marked increase in sub-Saharan Africa’s share of global exploration and mining development expenditure, which rose sharply from 5 percent in the early-1990s to 15 percent in 2012 (KPMG, 2012). But whilst the Bank has undeniably helped to revitalize mining in the region, the reforms its officials promote have fortified the production complexes carved out during the colonial period. Foreign mining companies have once again flocked to sub-Saharan Africa, many of them regaining control of the territories they had abandoned. The key difference, however, is that today, these companies have the backing of the Bank, other donors and powerful Western finance institutions, as well as find themselves working in rent-seeking environments where regimes tend to prioritize the collection of royalties from 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 “unsusable Africa” to reach.

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

3. Corporate Social Responsibility Large-Scale 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 disconnect 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.

It is argued here that, 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 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 United Nations or coalition of international development NGOs which would weigh in on and 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 the coveted mineral resource, with very little emphasis, apart from what was deemed necessary, on local development (see Lanning and Mueller, 1979). Kabemba (2014) offers a glimpse of what transpired, although as will be explained, treatment of communities would change significantly over time:
Europe expanded natural resource extraction in Africa dramatically by using forced labour and ensuring that access to the continent’s minerals was free. There was no compensation for people displaced from their ancestral land or for the destruction of the environment. Human right abuses were seen as normal and acceptable. The custodians of land and customs, the chiefs, were introduced to corruption. They sold their land and their people as slaves and labourers in exchange for beer and guns – often with no bullets. African chiefs were transformed into administrative clerks for the colonialists. [p. 2]

To ‘accommodate’ 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). Though it may have seemed unprecedented, 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 dynamic 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 were enshrined in laws, and land/crop payment programs and resettlement packages, conceived, in the contemporary neoliberal era, 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 management strategy, multinational mining companies operating in sub-Saharan Africa seem to have changed their position on, and presentation 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 is today – quite inexplicably – expending what appears to be a considerable amount of energy projecting the resulting 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.\footnote{1}

AngloGold Ashanti, which has significant 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’.\footnote{2}

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 or not a resettlement is ‘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), have experienced their share of well-documented complications (see Table 1). It appears that mine managers and executives, shielded further 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 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”’,\footnote{3} 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)’.\footnote{4} Overall, however, the mining industry has niftily repackaged destructive 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>
<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>512 households relocated to two new Resettlement Villages at a cost of $14 million Created an Agriculture Improvement &amp; Land Access (AILAP) program to supply resettled farmers with seeds, fertilizers, and assistance with land clearing.</td>
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<tr>
<td></td>
<td>2015</td>
<td>Adamus Resources Limited</td>
<td>Nzema Gold Mine</td>
<td>Resettled 2,200 residents of communities near the mine at Salman Resettlement Village at a cost $29 million.</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>AngloGold Ashanti</td>
<td>Iduapriem Mines</td>
<td>Constructed a total of 706 structures including 461 residential facilities, 143 detached kitchens, 10 religious facilities, and 17 commercial structures. Livelihood Restoration Program for 500 farmers impacted by project and scholarship for students from project-affected communities. Mankessim Resettlement Project: 66 of 70 houses completed and furnished with amenities (water, electricity and roads). Livelihood restoration project for residents in the form of aquaculture and fertilizers for famers.</td>
</tr>
<tr>
<td>Kenya</td>
<td>2006</td>
<td>Base Titanium</td>
<td>Kwele Mine</td>
<td>486 affected households relocated. 255 graves were exhumed and reinterred in a specially created cemetery. Compensation was paid for land, agricultural crops, forest trees, structures and graves. Program packaged under the Livelihood Replacement Strategy in partnership with NGO, Business for Development (B4D) to implement skills training through collaborative sports, enterprise development and Village Savings and Loans Association (VSLA) schemes.</td>
</tr>
<tr>
<td>Country</td>
<td>Year</td>
<td>Company</td>
<td>Mine</td>
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<tr>
<td>Tanzania</td>
<td>2014</td>
<td>AngloGold Ashanti</td>
<td>Geita Mine</td>
<td>Relocation of 18 households to new housing 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 the Resettlement Action Plan (RAP). Also compensated to 1,384 and 95 beekeepers through Livelihood Restoration Programme including training in crop cultivation, supply of livestock, hive includes training, hive upgrades and helping provide connections to the international honey market. Estimated cost of resettlement US $13 million.</td>
</tr>
<tr>
<td>South Africa</td>
<td>2001</td>
<td>AngloPlatinum</td>
<td>Mogalakwena mine</td>
<td>Relocation of Motlhotlo Community through development of 956 new houses and 61 other structures. Package included: compensation for loss of surface access to farmers. Each family in the two villages is being offered R20,000 (£1,426) as compensation for relocation, R12,000 now and R8,000 once the last villager moves. Relocation of some 2,216 graves, cash compensation for existing facilities not relocated, “Land for land” exchange for farms and 30% preferential employment opportunities community members. Company also donated a brick-making facility to community and set up a R50m Community Trust fund for community. Relocation of 70 households comprising 7000 people to Ga-Pila Resettlement Village. Provision of additional facilities including 3 schools, 16 shops, 5 churches, 1 clinic, 1 crèche and 1 Post Office. Residents were offered R5,000 (£356) per family plus a replacement home in a new village. Cash compensation for 26 homesteads that did not move.</td>
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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 coercion and/or recruitment of local mine labourers during the colonial period, which provides rich accounts of
experiences in the like of Rhodesia, South Africa and Tanyganika (e.g. Phimister, 1994; Money, 2015), focuses mostly on conditions and class structures. But at the same time, this body of analysis illustrates how dependent these mining projects were on local labour. Initially, unskilled labourers were recruited from across sub-Saharan Africa, provided with 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, were offered goods such as shoes and clothing at subsidized prices (Daniel, 1979; Cleveland, 2015). The recruitment was extensive:

The areas from which labour is attracted are extensive. Basutoland, Bechuanaland, Swaziland, the Transkeian territories of the Cape Province, and the southern districts of Portuguese East Africa contribute to the Witwatersrand Native labour supply, for which there is now the additional possibility of more northerly sources in the Rhodesias. 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]

To fill unskilled positions on the Zambian Copperbelt in the 1920s, for example, initially, the Bemba-speaking peoples from the present-day Luapula and Northern Provinces of Zambia were predominantly relied upon (Daniel, 1979). Similarly, in the late-1880s, the rapidly-expanding gold mining operations of Rand Mines and Consolidated Gold Fields in Witwatersrand, South Africa, relied heavily on Shangaan recruits, made possible by an agreement negotiated between the South Africa Chamber of Mines, and the Paul Kruger-led Transvaal Government (Maloka, 1997).

As the literature correctly 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 monopsonistic position as low-skilled assistance. The establishment of smaller associations which helped workers cope with their challenging lifestyles and ultimately pressured 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 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:

...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. Contrary to the practice in South Africa, where native wives and children are not allowed to live with their husbands and fathers at the mines, 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 both aware of the indispensable function played by the former at the time,
growing recognition of which improved their terms for negotiation and ultimately resulted in 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 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.

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>
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<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>1333</td>
<td>42,452</td>
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</tbody>
</table>

Source: International Labour Office, 1935; Daniel, 1979

Over the past three decades, the new wave of foreign mining companies that have arrived in sub-Saharan Africa, many with the backing of the World Bank and other international financial institutions, have also drawn 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, reports that in 2014, it employed 7000 Africans,5 makes a point of highlighting 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, and claims that ‘Hundreds more young people are expected to undergo training over the next few years’ (Davies, 2016). Similarly, Barrick Gold, through its subsidiary, African 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’.6 From these, and related, examples, it appears that local employment, which, despite being a hallmark of mine management strategy in sub-Saharan Africa for more than 100 years, has been strategically re-categorized as ‘community development’ or placed under allied banners by the industry’s largest companies.

5 ‘Out People’, www.riotinto.com/ourcommitment/our-people-4798.aspx (Accessed 4 July 2016) and
6 ‘Statement from Barrick Gold Corporation concerning the North Mara Mine, Tanzania’
In an era of protracted neoliberal reform, 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 mining sectors have failed to create 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 of these, and other African, countries, only number in the tens of thousands, and as illustrated very clearly by the gold mining sector, the number of jobs per unit of production is abysmally low (Table 3). Surveyed data also reveal 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 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; Ovadia, 2016; Pedro, 2016) can be seen as an admission of a reformed mining sector’s inability – and that of the extractive industries more broadly – 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>
<th>Production per Employee (Oz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Mara, Tanzania</td>
<td>African Barrick Gold</td>
<td>287,188 2015</td>
<td>1,648</td>
<td>NA</td>
</tr>
<tr>
<td>Bulyanhulu Mine, Tanzania</td>
<td>African Barrick Gold</td>
<td>273,552 2015</td>
<td>1,190</td>
<td>NA</td>
</tr>
<tr>
<td>Buzwagi Gold Mine, Tanzania</td>
<td>African Barrick Gold</td>
<td>171,172 2015</td>
<td>355</td>
<td>NA</td>
</tr>
<tr>
<td>Geita, Tanzania</td>
<td>AngloGold Ashanti</td>
<td>531,000 2012</td>
<td>1,618</td>
<td>19.20</td>
</tr>
<tr>
<td>Kibali, Democratic Republic of Congo</td>
<td>AngloGold Ashanti and Randgold</td>
<td>236 982 2014</td>
<td>701</td>
<td>NA</td>
</tr>
<tr>
<td>Sadiola, Mali</td>
<td>AngloGold Ashanti and Iamgold</td>
<td>100,000 2012</td>
<td>863</td>
<td>12.27</td>
</tr>
<tr>
<td>Otjikoto Mine, Namibia</td>
<td>B2Gold</td>
<td>36,172 (2016: 2nd quarter)</td>
<td>507</td>
<td>NA</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 truly ‘growth poles’, clusters of industrial development capable of fostering economic development. Katzenellenbogen (1975) provides a particularly insightful explanation on how:

> 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, mining was one of the fundamental multipler-accelerators of economic growth. [p. 361]

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

The biggest proponent of this strategy is, not surprisingly, the World Bank, the chief architect of mining sector reform and ultimately the main force behind the preservation of resource enclaves in sub-Saharan Africa. In recent years, the Bank has 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). Mining features prominently in these projects, many of which resemble the Bank’s Grand Carajás Project in Brazil, a comprehensive multimillion dollar intervention launched in the
mid-1980s. It sought to use the expansion of Vale’s giant iron ore mine as a ‘growth pole’ for a host of agricultural projects, including mechanized soybean production, cattle grazing and sugarcane cultivation (Fernside, 1986). These efforts, however, failed to develop as envisioned, lacking the technological and financial support needed to become sustainable, long-term agricultural projects. More importantly, they have illustrated the limitations of growth pole projects today in poor sections of the world such as sub-Saharan Africa.

But claims have been made by mining executives that would suggest otherwise. For example, it has been reported that in North Mara, Tanzania, ‘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’. In a related example, Barrick Gold guaranteed, in 2008, a ‘market for Tanzanian farmers’ at its Bulyanhulu property’. These, however, are likely exceptions rather than the rule because, as even Bank officials concede, ‘Central to the growth pole is a group of dynamic industries that are connected around a particular resource...[,] constellated 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). These rarely materialize: in a globalized world, in which footloose multinationals are free to manoeuvre, large-scale mines should no longer be viewed as ‘growth poles’. The remote geographical locations in which they are found are now connected via complex transport and communications links, and, therefore, there is less of a need to procure locally. In fact, supporting fully the view that, under these circumstances, mines are capable of continuing to serve as ‘growth poles’ in remote areas of sub-Saharan Africa would be to deny that resource enclavity persists. Gajigo et al. (2012) casts important light on why, 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 waived as a means of enticing international mining companies to the region (Campbell, 2003). But 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 distributors and partners? This would require, for example, dethroning the Mantric Group, a Caterpillar dealer in Ghana, Kenya, Sierra Leone, Tanzania and Uganda;\(^9\) JA Delmas, present in the African market for 160 years and a Caterpillar dealer since 1932 in 11 countries in West Africa;\(^10\) and Barloworld Equipment, which began distributing Caterpillar equipment in the Natal and Transvaal regions in 1927.\(^11\)

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 would appear that, 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 (Ovadia, 2016), local content has fast become a centrepiece of the region’s mining industry, and is enshrined in the Africa Mining Vision. 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 at which 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 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 5: Local economic development at selected mines in sub-Saharan Africa

<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</td>
<td>Guinea</td>
<td>The Simandou Project utilises labour, goods and services originating from within Guinea, and includes skills and/or technology transfer from international partners to local suppliers. The focus is on training and</td>
<td>Provision of infrastructure through construction of access roads through project communities such as the 128km Beyla-to-Nzérékoré road and upgrading of two airports in Beyla and Faranah to support transportation of goods and services.</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Location</th>
<th>Company</th>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geita Mines ( AngloGold Ashanti)</td>
<td>Tanzania</td>
<td>In Partnership with Acacia Mining plc and the government we are 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 $6 Million Geita Water Project, which benefits more than 150 000 people within mine catchment area.</td>
</tr>
<tr>
<td>Newmont Ahafo Mine</td>
<td>Ghana</td>
<td>Newmont Ghana is committed to have a minimum of 35% local employees through a policy that require sourcing all unskilled jobs and direct supplies from those living in communities within the Mining Lease Area. Newmont’s commitment to improve the economic conditions of host communities through capacity building programs for selected local Micro, Small, and Medium Scale Enterprises so they are well positioned to secure contracts from the Ahafo Mine</td>
<td>A number of infrastructure projects including construction of 6-Unit classroom block with Library for Kenyasi No. 2, fully furnished 4 Unit Teachers quarters Newmont Ahafo Mines distributed 1250 solar lamps to basic school pupils living in its resettlement communities and undertook apprenticeship programme for 520 youths in Ahafo Catchment Area.</td>
</tr>
<tr>
<td>AngloGold Ashanti Vaal River and West</td>
<td>South Africa</td>
<td>In South Africa, Through the Ongoing implementation of</td>
<td></td>
</tr>
<tr>
<td>Wits Mines</td>
<td>Implementation of the Enterprise Development Centres programme (EDC), business hubs are designed to provide tender information, supply opportunities, and training facilities such as computers and internet access to aspiring suppliers. The intention is not only to enable businesses to supply AngloGold Ashanti, but also to provide broader access to alternative markets and customers in the sub-region.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barrick Gold-Lumwana Mine</td>
<td>The development of recruitment and retention programs targeted specifically at local communities has helped us to employ local people whenever possible and created a culturally appropriate work environment. To stimulate the economic growth in Zambia, the company has instituted the Local Contractor Development (LCD) programme to train local contractors in procurement practices and standards that meet Barrick's standards. As local entrepreneurs, in partnership with the Lumwana Property Development Company, Barrick constructed a new town adjacent the mine, comprising around 1,000 houses, commercial and retail areas, schools as well as sporting and healthcare facilities to accommodate 5000 mine employees and their families. Through the Lumwana Development Trust Fund, Barrick formally unveiled 22 projects which include schools, staff houses, rural...</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In summary, mining companies operating in sub-Saharan Africa are implementing community development strategies which mirror those adopted during a period of protracted colonial rule. From the comfort of their fortified enclaves in rent-seeking environments and where there seems to be very little emphasis placed on regulation and enforcement, many multinational mining companies have skilfully repackaged these strategies as ‘CSR’. This is evident in three areas in particular, namely resettlement and dislocation, local employment and local economic development.

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

### 4. The Case of Ghana

The case of Ghana is used here to build upon points raised in the previous section. 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, 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 instantaneous: 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). Although similar moves have since been made in neighbouring countries such as Mali and Mauritania, which has stiffened competition for investment, Ghana continues to be viewed as a prime destination for gold mine development because of its fertile geological terrain. In 2006, the country implemented a more comprehensive piece of mining legislation, *The Minerals and Mining Act*, and subsequently, the *Minerals and Mining Amendment Act 2010*, the latter raising the royalty on profits from 3 to 5 percent. Ghana continues to have a very vibrant large-scale mining industry nevertheless: at the time of writing, there were 11 operational gold mines and 230 active prospecting licenses.

The focus here, however, will be on actions taken in the area of CSR at the country’s gold mines, specifically, how their managers have conceptualized the concept and ‘operationalized’ it in recent times.

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decades. It follows the points raised in the previous section, illustrating further how experiences in the colonial period helped to cultivate the current culture of CSR in the country’s mining sector. In doing so, it focuses on two 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 quality of life, infrastructure and economic prospects of surrounding localities began to intensify in the mid-2000s. It was about this time that the price of gold began to experience an unprecedented rise, fuelling marked increases in mine production across the globe. Ghana benefitted enormously from the increased 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 been plagued by 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 time 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 has been, for the most part, a rather unimpressive period of mining CSR in Ghana thus far.

This differs markedly from what had reportedly taken place in the former Gold Coast Colony and subsequently, 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 were lacking labour. This problem, or what was fittingly labelled the ‘labour question’, was, as Crisp (1984) explains, became apparent 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 and controlling these 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 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 not 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 solution pursued was what Crisp (1984) labelled ‘The Northern Territories Labour Experiment’, or the belief that people in the colony’s Northern Territories could fill the labour gap at the mines and elsewhere
in the south, and would likely eagerly do so because they have 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). 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 contractors constructing the railway extension from Prestea to Tarkwa competing for labour; the reluctance of chiefs to mobilise ‘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 work; and the lack of influence of local chiefs, whom the British used to enforce laws in the colony, to wield influence over settlers, whose allegiances to traditional authorities did not extend beyond their hometowns (Colonial Reports, 1939; Thomas, 1973, Crisp, 1984; Dumett, 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 Dumett (1998) examines at considerable length. Drawing on archival material, the author reports 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, warehousmen, 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, accounted 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, the managers of the multinationals operating Ghana’s major gold mines make a concerted effort to ‘hire locally’, and have made this a main focus of 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 informed by a company-wide policy, which states that ‘We collaborate with communities to define guidelines and expectations around local employment, and we work with our suppliers to ensure our global hiring practices support opportunities for women, local residents and Indigenous peoples’. Gold Fields has in place a similar Community Policy Statement, in which highlights the company’s commitment to ‘prioritising local procurement and employment and measuring our contribution to local economic development’. 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) were recruited from local communities at its Ahafo and Akyem, projects, respectively. At 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. According to the Ghana Chamber of Mines, a staggering 98 percent of the 9,939 persons who make up the combined workforce of its members are of Ghanaian nationality.

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15 ‘Damang Gold Mine’.
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 Ghana in an era of globalization. It is a capital-intensive resource enclave, and is 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; mining employs a 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 African mine labourers exceeded 17,000, a figure which 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 broadcasting their local hiring policies, the strategies they are deploying are not new. They are, in the spirit of the discussion presented in the previous section of the chapter, rather an extension of a long and well-established tradition of local recruitment which began during the formative years of British-led mineral exploration and development in the Gold Coast. The ‘labour question’ was initially addressed using recruited Kru, Bassa and Grebo men from Liberia, as well as local Akans. 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 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. In an era of globalization, 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, are better positioned to dictate terms and influence negotiations over labour-related issues. But how secure are these positions? With no real obligation to retain these labourers, they become expendable during depressed economic periods, a phenomenon witnessed in Ghana in recent years due to 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.\(^\text{17}\) In Obuasi, the effects have been particularly severe because of the underground design and therefore particularly high operational costs of the mine. Here, AngloGold has, since 2013, trimmed a significant section of the Obuasi mine’s workforce, the most significant

move being the dismissal of 5000 employees as part of a US$220 retrenchment program.\textsuperscript{18} According to the Ghana Mine Workers Union, over the past three years, over 10,000 mineworkers – most of them Ghanaian – have lost their jobs.\textsuperscript{19}

The third and final point concerns the limited ability 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 with families who 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 for 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 operations 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’.\textsuperscript{20} Although beyond the scope of this analysis, would these staff members potentially be relocated to other sites should Gold Star Resources begin operating elsewhere? Do 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, a number of Ghana-trained graduates can be found in the head offices of the country’s major gold mine operators, including 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 surely with it, the flexibility of transferring 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.

\textit{4.2 Local Economic Development}

In a recent gathering at the Public Services Workers’ Union Centre in Kumasi, Ghana’s ‘second city’, the General Secretary of the Ghana Mine Workers Union delivered a speech, which highlighted the


\textsuperscript{19} ‘10,000 Mineworkers lose jobs’ \url{www.ghanaweb.com/GhanaHomePage/business/10-000-Mineworkers-lose-jobs-461617} (Accessed 3 September 2016).

recent redundancies in a mining sector that is downsizing in response to a drop in the gold price. It perhaps more importantly alluded to how mining has failed to fortify other industries in Ghana as advertised, the General Secretary stating that ‘Our quest for job creation as a nation has often been fraught with very weak inter-sectorial linkages’.  

The gold mining sector in Ghana today – a collection of enclaves which, as the General Secretary correctly indicated, are for the most part disconnected from other areas of the economy – is a radical departure from what it was during the colonial period. The gold mining activity during the colonial period certainly had the look of a growth pole which 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) refers 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 the 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 ‘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 and also established it as a lighter harbour (White, 1955; Allen, 1958; Hilling, 1969). Dumett (1998) provides 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 ports 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

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21 ‘10,000 Mineworkers lose jobs’. 

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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...[p. 263-264]

This commerce intensified significantly 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. Similar to the way in which Ferguson (2005) draws attention to nature in which mining, and oil and gas operations have surfaced elsewhere in sub-Saharan Africa, 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 broadcasted 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 form the various from the various farm-gate to the near-bye communities’, it is the mine’s vehicles which contributed to its deterioration, and a main reason for its repair is to improve the access routes for contractors. 22

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’. 23 But how sustainable are these programs? There are 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 IFC, 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 capable of doing so, despite claims that suggest otherwise (see e.g. Bloch and Owusu, 2012). The second concern is the type of activities being promoted. Although companies such as Newmont and AngloGold Ashanti are helping to train local people in various vocations, the vast majority of 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 Chamber of Mines from investing a significant portion of the US$21 million it has earmarked for local economic development in such farm-based livelihoods.24

To summarize, building on points raised in the previous section of this chapter, 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 to facilitate 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 chapter 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 affect CSR strategy. Permitted to work in relatively fortified setups and not expected to forge linkages with surrounding communities, mine operators become increasingly disconnected, ideologically and physically, from the locale. With most of the region’s countries in which multinational mining companies now operate being controlled by rent-seeking, and in some cases, oppressive, regimes, there is very little pressure to change the CSR practices adopted at sites.

The chapter then drew attention to the types of CSR practices being promoted. In many cases, mining seems to be promoting the same ideas and financing similar projects to those implemented during the colonial period but skilfully packages 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. Its 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 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’ – which it is clearly not – and that individual companies are making significant

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contributions to local communities. Following the announcement made by IFC 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 aforementioned baseless 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 policy, with the aim of creating an operational environment capable of transforming mining into a ‘growth pole’ with linkages to the wider economies of sub-Saharan Africa.

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25 ‘Increasing Local Procurement in Mining in West Africa’
(Accessed 3 June 2016).

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


