

A Dialectico-Systemic CSR Model for Better Gold Mining Practices in Ghana

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Abstract

This paper has attempted to clarify the dialectic contradictions between mining companies and their host communities with experiences from the Ghana's gold mining industry. Many attempts have been made by parastatal institutions, donor and transnational mining companies to present the corporate citizenship drives of these companies as effective and satisfactory. However, historical and systemic dialectic method of analysis reveal that these companies are basically in Ghana to maximise profit without taking the interest of the host communities seriously on their business agenda and are in diverse ways implementing cosmetic community programmes that are unable to help mitigate rural poverty. In many instances, these companies are causing destruction to fragile endemic ecosystems and extensive displacement of defenceless rural communities. Weak public institutions, lack of awareness regarding basic rights on the part of these rural inhabitants and limited access to necessary information result in an immense imbalance of power, wealth and knowledge that favours these big corporations. Based on the systemic (structural-functional) approaches, a model of link between the business objectives of the companies and the aspirations of the host communities is established for a greater integration and systemisation of the corporate social responsibility programs whose practical implication would contribute to the achievement of social equilibrium.

Keywords: Ghana; gold, mining, dialectic contradiction, responsibility, corporate

Introduction

Corporate social responsibility has been conceptualised by many authors (Bowen, 1953; Frederic 1960; Friedman 1970; Bachman 1975; Davis, 1973; World Business Council

for Sustainable Development (WBCSD), 1998). There is little consensus on what this concept really means. This dichotomy has opened the way for different schools of thought. Despite the multiple concepts and approaches there is a common agreement that a company is responsible for providing more benefits than just profits for its stake holders. Central to the different concepts of CSR are a number of unresolved issues: CRS as a philanthropy or core business agenda or whether it should be viewed as voluntary commitments or regulatory. However, a number of social accounting, auditing and reporting systems exist to serve as frameworks. Three main streams of thought exist in the debate about the responsibility of a company to the society: the stockholder approach set forth by (Friedman 1970; Bruno and Nichols, 1990); the stakeholder stance articulated by (Evan and Freeman 1984, Donaldson and Preston 1995; Post *et al.* 2002), a third group, which is collectivist in nature, is refined in Werhane (2007).

Milton Friedman and proponents argue that in a free-enterprise, private-property system, a corporate executive is an employee of the stockholders. He is not directly accountable to the community but rather has direct responsibility to his employers. That responsibility is to conduct the business in accordance with their objectives, which generally will be to maximise profits within the framework of rules regulations, and ethical values of society.

The idea of stakeholders' theory was first hinted by Johnson (1971). In his definition of CSR, he conceives a socially responsible firm as being one that balances the interests of any group or individual that has a vital interest in the doings of the corporation such that while striving for larger profits for its stockholders, it also takes into account several other stakeholders of the corporation. These stakeholders include employees, customers, suppliers, local community, surrounding governments, the surrounding human and natural environment, and the corporation's managers. In some situations there are other stakeholders such as competitors. In the stakeholder theory the corporation is the centre of analysis and is visualized as surrounded by its stakeholders. This theory which has received extensive acceptance by modern companies was later consolidated by Freeman (1984) and thereafter defended and expatiated by various authors (Freeman, 1994; Bowie, 1991; Evan and Freeman, 1988, 1993; Freeman and Phillips, 2002).

Werhane (2007, 2008) and exponents argue that the existence of business goes beyond profit maximisation, whist this group does not precinct the interest of stockholders, its approach decentralizes the corporation and alternatively visualizes each stakeholder as the

centre for the purpose of framing problems and generating solutions. This approach sees the corporation as a part of a system of interrelated and interdependent parts.

The Bench Mark (2003) outlines the comprehensive standards and expectations fundamental to a responsible company's action. A new relationship between corporations, communities and ecosystems can be summarized as follows:

- Support for a sustainable system of production and a more equitable system for the distribution of the economic benefits of production and environmental services;
- Participation of stakeholders and those most affected by the activities of corporations in the decision-making processes of companies;
- Preservation and protection of the environment for present and future generations;
- Respect for the dignity of every person, for workers' right to organize a union and bargain collectively and for all core labour rights as defined by the International Labour Organization;
- Strong codes of conduct for corporations and suppliers independently monitored by local non-governmental and community organizations;
- Affirmation of indigenous peoples' right to fully participate in the business decisions which pertain to their ancestral lands and their way of life;
- Development of a human rights policy based on the Universal Declaration of Human Rights;
- Commitment to the principle that every worker has the right of access to health care, accessible and affordable medicines, including antiretrovirals for the treatment of AIDS, and
- Corporate governance policies that balance the sometimes competing interests of managers, employees, shareholders and communities; and that are based on ethical values including integrity, honesty, justice and transparency.

Whilst the application of these concepts are widespread in Europe, America and Asia, in Africa and Ghana in particular, is it considered as an afterthought issue for the resolution of conflicts arising between companies and the host communities. As Ghana continues to receive investments for the mining sector, there is a growing debate by stakeholders in the mining industry on measures to implement sustainable CSR programmes. It is argued that mining companies with their activities have had negative impacts on the environment and the community making the people more vulnerable. The companies contend that they are doing

enough and have not contributed to poverty in their catchments areas. There is a position that mining companies cannot substitute the state and can only complement the effort of government and the people. A controversial issue is if CSR is celebrated as an outstanding means of meeting the achievement of societal goals with business targets why is it that mining communities in Ghana are trapped in poverty and lack sustainable development? Whatever the CSR viewpoint may be, there is a contradiction and this contradiction is dialectical. Despite the theoretical importance of dialectic method, no extensive study has been done to link it with CSR analysis to reveal the essence of conflict between business and society. This paper is a contribution to this debate. It revisits and focuses on how the general concept of systemic and dialectic method of discourse can be used to clarify the dialectic contradictions between mining companies and their host communities with experiences from Ghana's gold mining industry and proposes a new model of relationship. Based on systemic (structural-functional) approaches, a model of link between the business objectives of the companies and the aspirations of the host communities is established for a greater integration and systemisation of the corporate social responsibility programs whose practical implication would contribute to the achievement of social equilibrium. The relevance of this analysis will enhance the understanding of international investors about the causes of conflicts in mining communities in Ghana and the business environment issues that can have impact on their performance.

Many attempts have been made by parastatal institutions, donor and transnational mining companies to present the corporate citizenship drives of these companies as effective and satisfactory. However, historical and systemic dialectic method of analysis reveal that these companies are basically in Ghana to maximise profit without taking the interest of the host communities seriously on their business agenda and in diverse ways implementing cosmetic community programmes that are unable to help mitigate rural poverty (Hilson, 2006). In many instances, these companies are causing destruction to fragile endemic ecosystems and extensive displacement of defenceless rural communities. The conflicts between mining companies and the communities are widely treated in press and specialized literature (Amankwah and Sackey, 2003; Amankwah and Sackey 2004; Kekeli, 2009). The fundamental problem is the need to harmonize the interest of the mining companies with that of the host communities in particular and the Ghanaian society in general. As widespread in tropical Africa, weak public institutions, lack of awareness regarding basic rights on the part of these rural inhabitants and limited access to necessary information result in an immense

imbalance of power, wealth and knowledge that favours these big corporations. About CSR in Ghana, Boon and Ababio (2009) recommend to mining companies in Ghana to develop programmes that maintain good will for the company and address the long-term developmental needs of communities in a sustainable way, without creating a culture of dependency. In order to fulfil the objectives, the rest of the work is organised as follows:

The fundamental ideas to defend are as follows:

- The fundamental ideas to defend are based on the fact that the present link is not sustainable because the dynamic of the relationship between the host communities and the transnational gold mining companies is manifested in the dialectic contradictions which exist between the need of these firms to maximise their profit by exploiting the resources and the host communities directly fighting for their lives and livelihoods in the face of corporate abuse (Fig.1);
- The common interest of the multinational firms and that of the host communities to manage the natural resources constitutes the cell which contains the genetic operative element unfolding the dialectic contradiction stated above;
- Systemic approach (structural and functional) component makes the relationship dialectical and efficient.

The Principal tasks are the following:

- Characterisation of the historical tendencies of corporate social responsibilities in Ghana's mining sector;
- A critical analysis of corporate social responsibility programs of mining companies in Ghana;
- Substantiating that the dynamic of relationship of the host communities and the transnational firms is manifested in the dialectic contradictions which exist between these transnational firms and their host communities. This contradiction lies on the need of these companies to exploit the minerals resources to maximise their profits and the natural response of these communities directly fighting for their lives and livelihoods in the face of corporate abuse;
- To establish that the management of the natural resources is the cell which contains the operative element unfolding the genetic and dialectic contradiction stated above;

- To propose an alternative model of relationship through a systemic and dialectic approach.

Methodology

In order to fulfil the proposed tasks the following methods were used:

- The dialectic method of discourse framework in which contradiction plays the central role as the source of development;
- Deductive argument which asserts that the conclusion follows necessarily from the truth of the premises;
- Inductive argument which asserts that the conclusion follows, not necessarily, but only probably from the truth of the premises with the view to fulfilling the objective and undertake the analysis and characterization of our object of study;
- The historical method comprised the techniques and guidelines to use primary sources and other evidence to research into the existing programs and literature analysis of corporate social responsibility in Ghana, and
- Systemic methodology (structural-functional) paradigm was used to access social functions of different groups in the mining industry.

The basis of the theoretical methodology constitutes the principles of corporate social responsibility, dialectic contradiction of the object and structural functional method.

Contribution

- A revealing insight into the basic dialectic contradiction which underlies the relationship between these multinational firms and their host communities based on the need of these companies to exploit the minerals resources to maximise their profits and the natural response of these communities directly fighting for their lives and livelihoods in the face of corporate abuse;
- The cell of this complex relationship constitutes exercising the management of natural resources and the benefits derived from these which is the bearer of the operative element unfolding the genetic and the dialectic contradiction stated above, and
- A proposal for sustainable relationship between the mining companies and the host communities (the practical significance of the proposal).

2.0. The dynamic of the relationship between gold mining companies and the host communities in Ghana.

Ghana possesses huge reserves of mineral resources like gold, bauxite, manganese, salt and many industrial minerals putting the West African country on a pedestal for exploration, mining and mineral processing. The greater part of the mining industry is controlled by expatriates who operate with the state of the art technology. The most outstanding among them are the AngloGold Ashanti, Goldfields Ghana Ltd. Newmont Ghana Ltd., and Golden Star Resources Ltd. Ghanaian nationals operate in the small scale mining either legally or illegally using rudimentary methods in rural impoverished communities. Indigenous mining was banned by the British with the introduction of Gold Mining Protection Ordinance in the early part of the twentieth century. The Economic Recovery Programme launched by the erstwhile Provisional National Defence Council (PNDC) government recognised the importance of artisanal and small scale mining under the Mining Sector Resuscitation Program in 1983 (Kekeli, 2009). However, the historical trend where Ghana's mineral wealth was mainly extracted to serve external interest has not changed much.

Presently, there are fourteen big mining operations in Ghana. Mining accounts for approximately 3-4 % of government fiscal revenues, 5 % of the country's GDP and 30 % of the country's total export. The formal mining sector engages about 15,000 employees. About 2.3 billion dollars were generated in 2008 as revenue (Ghana Broadcasting Corporation TV Evening News, 25 October 2009). The people living in mining towns are trapped in abject poverty and live in slums. The inhabitants of mining communities in Ghana usually express their discontentment and frustration through confrontation with the mining companies and the state security apparatus. The paradox of poverty in abundance is physically seen in mining communities in Ghana. It is estimated that the remuneration of AngloGold Ashanti Executives is 289 times higher than the lowest mineworker who risks his life on the job. An executive of Goldfields earns 201 times the income of the lowest paid mineworker.

In AngloGold Ashanti, the salary of the highest paid executive in Ghana is about 340 times higher than the minimum salary of a mine worker who receives 262 dollars per month. The average expatriate receives a salary of 19,586 dollars per month, compared to a Ghanaian senior officer who does the same or a similar job for a salary of 711 dollars per month (Ghanaweb.com, 2009a).

The strategic attempts to put Ghana's mineral wealth under the control of Ghanaians immediately after independence from colonial rule through the setting up of state mining companies and other parastatal agencies to man the industry were abandoned immediately after the 1966 coup which overthrew Dr. Nkrumah, the country's Founder and first president. For example, a gold refinery facility built to add value to gold in Tarkwa was acquired by the University of Mines and Technology in the year 2000 for student's hostel after the building had been left to rot for more than forty years. Improper state interventions and corrupt democratic and military regimes rendered all the public and private gold mining companies inefficient.

Reforming the mining sector was seen by the World Bank as a key factor in attempts to alleviate the economic crisis in Ghana in the 1980s. New mining laws were promulgated to allow for foreign capital to rescue the failing sector (Temeng *et al.*, 2008). Today, the intensive extraction of mineral resources is underway with its adverse effects on social and economic facets of the host communities.

It is commonplace to read in the corporate social responsible objectives, the pledge to pay a dollar per ounce of gold to the host communities to finance developmental projects. In most of the communities where the mines are found there is no evidence of practical government presence, thus, the onus lies on these companies to help improve the living conditions of the people. Goldfield has Community Affairs and Social Development Office which engages the mining towns and villages in its catchments area through the Sustainable Community Empowerment and Economic Development Program. The Goldfield Foundation funds through a standardized formula where it contributes 1USD for every ounce of gold produced as well as an additional 1% pre-tax profit for social investment initiatives like the provision of water, education, health services, sanitation and improved infrastructure to alleviate the socio economic impact of eventual closure of their operations. According to the company, The Sustainable Community and Empowerment and Economic Development are designed and implemented with active involvement of the community representatives, regional and local government agencies and non-governmental partners.

It is asserted that AngloGold Ashanti's Corporate Social Responsibility issues in Ghana are based on the impact of operations in the community and sometimes the basic needs of the host communities. This company spent about 2.3 million dollars on corporate social responsibility in Ghana (Obuasi Country Report, 2008). In Iduapriem, 'Hand in Hand' programs runs to provide alternative livelihood comprising funding and training of business

groups, entrepreneurial skills, provision of micro credits, agricultural and animal husbandry training, technical skills training in food processing and value added technologies.

The projects are currently managed by Opportunities Industrialization Centres International (OICI), a US based NGO. The Community now presses to be directly involved to ensure the sustainability of the projects. AngloGold Ashanti has failed in many instances in handling resettlements and other issues with Community Consultative Committees in their Teberiebie and Obuasi operations.

The main tools for Corporate Social Responsibility of Chirano Gold Mines Ltd are Common Consultative Committee, Chirano Gold Mines Trust Fund, and Tano Suraw Agribusiness Growth Initiative (TAGI). The Chirano Gold Mines Trust Fund focuses on local community projects which are funded at the rate of \$1 for each ounce of gold produced (Redback, 2008).

Golden Star like almost all the companies invests \$1 / oz of gold in its development foundation, which is used for community projects. The Golden Star Development Foundation, a community assistance program, is driven by the communities through Community Mine Consultative Committees (CMCCs) that cover a broad stakeholder community area.

Newmont Mining Ltd., Social Responsibility Platform involves Livelihood Enhancement and Community Empowerment Programme (LEEP), Agricultural Improvement and Land Access Programme (AILAP), Public Consultation and Disclosure Plan, Ahafo Agribusiness Growth Initiative, Compensation Negotiation Committee. The target groups of these projects are people displaced or affected in many ways by the operations of the company.

3.0. Critic to the present corporate social responsibility system in Ghana

The practice of CSR is subject to much debate and criticism. Proponents argue that there is a strong business case for CSR, in that corporations benefit in multiple ways by operating in a scope broader and longer than their own immediate, short-term profits. Critics argue that CSR distracts from the fundamental economic role of businesses; others argue that it is nothing more than superficial window-dressing; still others argue that it is an attempt to pre-empt the role of governments as a watchdog over powerful transnational corporations. Scott (2007) alerts corporate profitability acts as a fetter to authentic social responsibility.

Major issues of concern to many gold mining host communities in Ghana are water and sanitation, impacts of blasting, dust pollution, environmental degradation, waste rock dumping and its effects, and displacements from ancestral homes. These companies are trying to confront the problems caused by their activities but their interventions are not adequate to yield the expected results. A great number of legal environmental instruments in Ghana are modern but their implementation becomes a problem due to improper supervision and control. Laws that regulate environmental and mining related issues are as follows:

EPA Act 490, 1994

Mining and Mineral Act 703, 2004

EPA Reclamation Security Agreement, 2004

Water Resources Commission Act, 1996

Act 522, Environmental Assessment Regulations, 1999, LI 1652

Mining and Explosives Regulation, 1970, LI 665

Mining and Mineral Law, 1986, PNDC Law 153

A contentious issue in Ghana's mining sector is compensation for lands and destruction of property during mining operations (Sackey and Amankwah, 2003; Amankwah and Sackey, 2005 ;). There are legal distortions and a vacuum in Ghana as far as compensation of property destroyed by the activities of mining companies are concerned. According to section 74(2) of the Minerals and Mining Act 2006, Act 703 in the case of compulsory acquisition of property, prompt payment of fair and adequate compensation shall be made.

The ambiguity inherent to this law serves as a ground for conflict between landowners and mining firms. Section 73(3) of Act 703 states ' the amount of compensation payable under section(1) shall be determined by agreements between parties but if the parties are unable to reach an agreement as to the amount of compensation the matter shall be referred to either the Minister...' This negotiation condition without clear national or international standard usually puts the farmers at a disadvantageous position when it comes to negotiating with powerful transnational firms.

The direct result is that mining companies take advantage of the weakness of Ghanaian laws and institutions to exploit the communities without paying them the appropriate compensation for acquisition of land and destruction of property. In Ghana, like

many parts of Africa, corruption is an obstacle to the equitable distribution of mining revenues, locally and nationally. Some companies in the minerals sector collude with chiefs and officials in illicit activities, usually bribery (MMSD, 2001). Most of the affected individuals are compensated through negotiated 'entitlement' regimes. This package includes financial compensation for crops, financial compensation for houses destroyed; the right to participate in alternative livelihoods programs, house sites, temporary housing allowance and other short term provisions required in the relocation process. Alhaji Collins Dauda, the present Ghanaian Minister of Lands and Natural Resources describes the rates payable on destroyed cocoa crops as miserable because a matured cocoa tree attracts nine Cedis fifty pesewa (7 US dollars), meanwhile that tree could serve the farmer for 35 years (Ghanaweb.com, 2009b).

The affected people are peasant farmers who are deeply rooted in farming and their ancestral homes. Compensation and resettlements must be comprehensive and must take into consideration the socio-cultural aspects of the groups involved. The authors can confirm the destruction of cemeteries and exhumation of semi-decomposed bodies in the Wassa Area to give way to gold mining without recourse to the socio-cultural values of the people. When Goldfields came to Ghana in 1993 there were about 20,000 residents within its concession who were to be moved, constituting the biggest resettlement by a mining company in West Africa (Yeboah, 2009).

Many communities are helpless to confront transnational mining companies when it comes to environmental issues which affect them directly because of the connivance of the state. In most of the cases, environmental issues are shrouded in secrecy and manipulation. A typical example of concern is the safe disposal and rehabilitation of an area in which 10,000 tonnes of arsenic trioxide which had been stockpiled at Pompora treatment plant at Obuasi following the collapse of the arsenic market in 1990s. Several reports have revealed prohibitive concentrations of arsenic in water in Obuasi and its immediate environs due to mining operations. Mining officials often blame the high concentration of arsenic in fruits and foodstuffs on the naturally occurring mineralization. Several researches (AngloGold Report, 2007) have revealed that excess water from the operations in Obuasi has been discharged into the natural water courses and the discharges contain levels unacceptable to the Environmental Protection Agency of Ghana (EPA).

In some instances where the resources for CSR are available, appropriate methods are not applied to implement them. Koranting (2008) assesses the Alternative Livelihood Program (ALP) of Goldfields Ghana Limited in 5 beneficiary communities: New Atuabo, Abekoase, Samahu, Tebe and Huniso and reveals that 80 % of the beneficiaries were randomly selected in order to relieve the organizers of any blame about the coverage of the program.

He further criticises that giving the programme to an NGO like Opportunity International which is not committed to the welfare of the affected communities constitutes a serious lapse because it does not give opportunity for the communities to participate in the decision making. Many projects were implemented without supporting programme. Animals were provided to settlers in New Atuabo, Abekoase, Samahu, Tebe and Huniso without the appropriate support projects leading to non-restoration of livelihood.

Dumasi, Odumasi and Anikoko resettlement plan constitutes an issue of great concern in the Wassa area. Community Affairs and Sustainability Development of the Golden Star Resources Ltd., handles the resettlement and grievances with host farmers without mutually accepted results.

Newmont operations in the Brong Ahafo Region of Ghana have caused various environmental and social impacts; physical and economic displacement impacts on livelihood.

More than 9000 people, over 95 % who are small scale farmers, have been displaced in the mines first phase alone. Displacement from the second phase of the Ahafo North mine is expected to be of similar magnitude, but cumulative impacts have not been assessed. Independent monitoring reports on the implementation of the resettlement plan for Ahafo North say efforts have been inadequate. The reports also express concern that affected people are at risk of economic hardship. The loss of access to farmland and inflation of the prices of foodstuffs in the markets, have jeopardized food security (FIAN, 2005).

“Livelihood restoration and improvement programs” like those run by the non-governmental organisation, OICI, have come under criticism from civil society groups concerned that their focus on activities like soap-making and snail-raising are not appropriate or adequate substitute for farming. The Acid Mine Drainage poses a threat due to leaching of heavy metals into ground and surface water. The damming of the Subri River and the displaced families’ loss of access to free and potable water sources pose a major threat to the wellbeing

of the inhabitants. The transport and use of cyanide, and the disposal of tailings and other toxic chemicals present potential threats to the safety of the communities and the ecosystem surrounding the mine site. Newmont Gold Ahafo Mine spilled cyanide into River Subri in the Asutifi District of the Brong Ahafo Region, destroying the aquatic life and denying the communities of safe drinking water (www.africanpress.com, 2009 ; www.ghanaweb.com, 2009c).

Compensation regarding resettlement and compensation for farmers affected by the Ajopa project of AngloGold Ashanti left much to be desired. Resettlement Action Plan for Teberiebie farmers recommends land for land replacement in addition to monetary compensation, it was paid, but community members were left without alternative land as part of the resettlement.

Chirano Gold Mining Limited has unilaterally chosen to pay compensation entitlement below minimum rates recommended by the Ghana government. For example, in the period between 2003 and 2004, the minimum rates set by the Land Valuation Board (LVB), a public agency, for a cocoa tree destroyed was GH¢ 52.21 (about US\$37) (Obeng, 2009).

4.0. Systemic, dialectic and the genetic model of corporate social responsibility in Ghana's mining sector.

To contribute to the harmonization of the relationship between the mining companies and society, a dialectico- systemic model is proposed (Figure 4). The aim of the dialectic method is resolution of the disagreement through rational discussion (Pinto, 2001; Eemeren, 2003). The justification of the dialectic contradiction which exists between the need of these transnational firms to maximise their profit by exploiting the resources and the host communities directly fighting for their lives and livelihoods in the face of corporate abuse is vital. It can be stated that the theory and practice of corporate social responsibility can be achieved through the interaction between the communities and these mining companies. The management of the natural resources and the benefits derived from these underlie discussions at all levels. It is the common denominator which is the bearer and originator of all the problems. Based on the dialectic contradiction and the cell, we proceed to the structuring and the development of corporate social responsibility within the framework of the socio-political and economic context. The present state of relationship between the

companies and the host communities is a symptom of a systemic socio-economic contradiction and ethical decadence.

To further prove that the dialectic contradiction which exists between the need of this transnational firms to maximise their profit by exploiting the natural resources and the host communities directly fighting for their lives and livelihoods in the face of corporate abuse are poles of dialectic contradiction, it is sufficient to say that they are mutually exclusive and presuppose and this constitutes the motive forces of development of the theory of CSR.

They are exclusive because one can study the company and its dynamics without analysing the communities and their livelihoods. On the other hand one can study the socio-cultural aspects and the livelihoods of the communities without analysing the dynamics of these mining companies. In summary, the need of these firms to maximise profit through the appropriation of natural resources and the lives and livelihoods of the communities are mutually exclusive because each one can be studied without the other. However, the essence of this complex relationship constitutes the management of the natural resources and the benefits derived from these.

The mining companies cannot survive without the natural resources, on the other hand, the lives and the livelihoods of these communities are also linked to the sustainable exploitation and the distribution of these natural resources. It can then be affirmed that there exists a biunivocal correspondence between the interest of these companies to maximise profit and the interest of the communities to protect their lives and livelihoods. These corroborate that these elements presuppose.

This dialectic contradiction which arises between the need of this transnational firms to maximise their profit by exploiting the natural resources and the host communities directly fighting for their lives and livelihoods in the face of corporate abuse are the motive force of development because the inherent internal contradiction between them dictate the theory and the practice of corporate social responsibility in Ghana's mining sector. There exists close links between them because to satisfy the objectives of these companies they should get access to the management of the natural resources, likewise, the lives and the livelihoods of these communities are also linked to the management of these natural resources once their original livelihoods have been destroyed.

The dialectic contradiction which establishes between the need of these transnational firms to maximise their profit by exploiting the resources and the host communities directly fighting for their lives and livelihoods in the face of corporate abuse permits the development of the theory of CSR by generating the auto- movement of the object by virtue of its own laws.

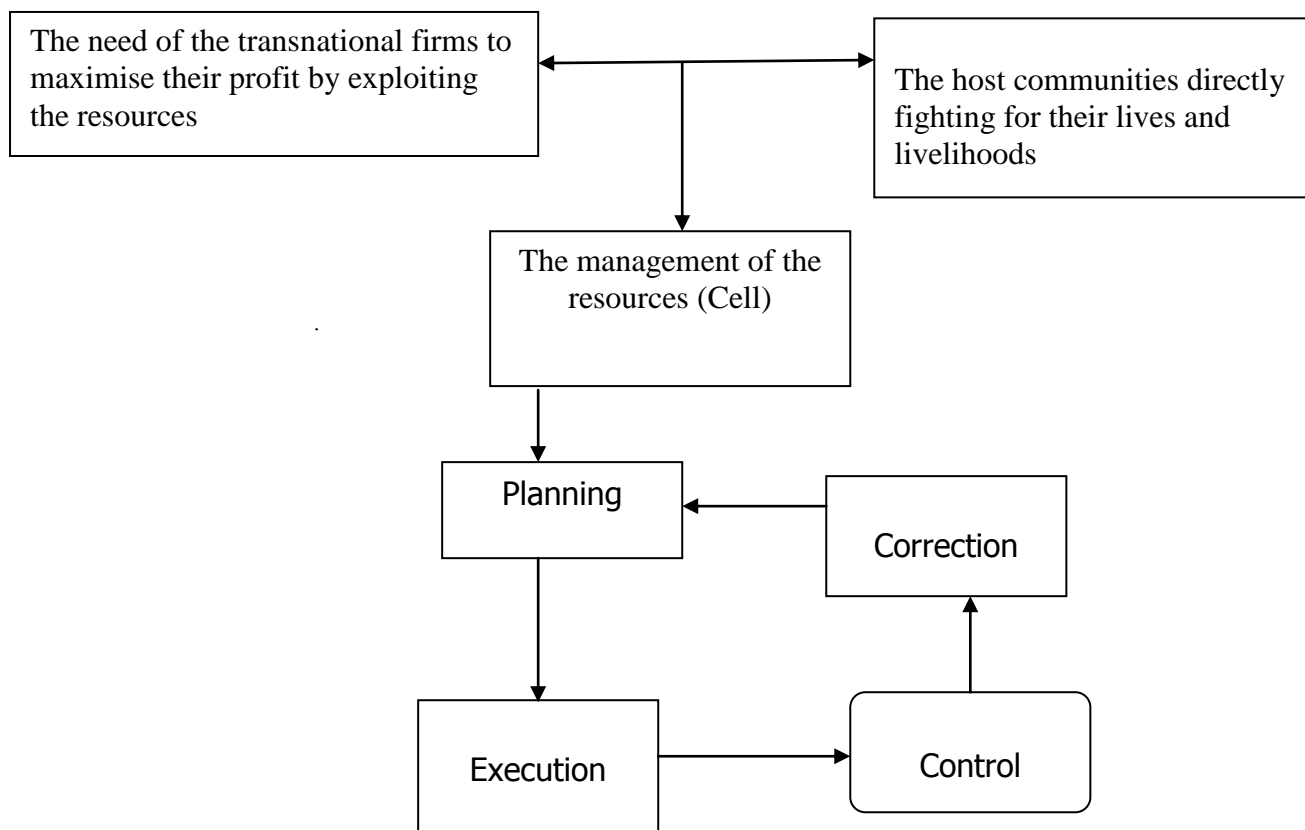


Fig. 1: The logical route for the development of the theory of the CSR

5.0. The first essential relationship: Problems-CSR,-Business Objectives

This model (Fig.2) establishes the relationship between the corporate social responsibility as an object, and the surrounding environment (society). The goals, thus, become CSR model which provides a link between the company and society and sets out the actions of management, employees, community and other stakeholders and determines the characteristics of each stage in the management process. In essence this model raises the dialectic relationship between problems (negative impacts) and business objectives, in which two of these categories are contrary arguments, and this contradiction is resolved by the third,

so that the contradiction between business objectives and negative impacts of business is solved through CSR value necessary to mobilise the human and material resources, capable of minimising or eliminating the identified negative impacts whilst sustaining core business objectives. Similarly, the contradiction between the problem and the CSR is solved when the company has fulfilled the business objectives and has satisfied the interest of society. The contradiction between business objectives and CSR (object) is resolved when the company is able to solve the problems of its impacts and reach business targets whilst fulfilling the corresponding corporate social responsibility programs.

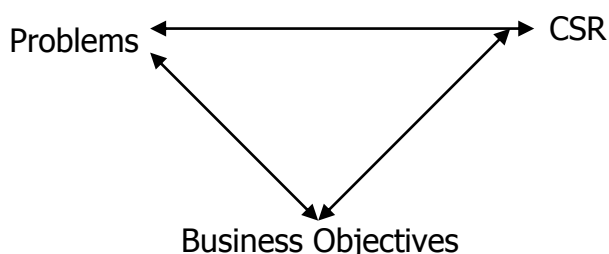


Fig. 2: First essential relationship of CSR

6.0 Second Essential Relationship- Components during the implementation of the CSR: Objective- Content- Method

The second relationship (Fig.3) is the executor category which deals with the dialectic interaction between the objectives, CSR and method of implementation (Fig.3). These two categories are dialectic opposites and the contradiction between the two is resolved through the third element of the dialectic triad. What is seen, at least outwardly, on the surface, in CSR is the value or content, underlying that is the goal. The content manifest, the aim is its essence. For example, the contradiction between the business objective and the CSR value is resolved through the appropriate method, the proper selection and application of the latter, allows execution which meets the goal, and finally the contradiction between the CSR method and content is solved when the company and all stakeholders attain satisfactory objectives by accepting the value with the application of appropriate implementation.

This relationship also introduces the method as the most dynamic category that can shape the future form of relationship and action of all stakeholders.

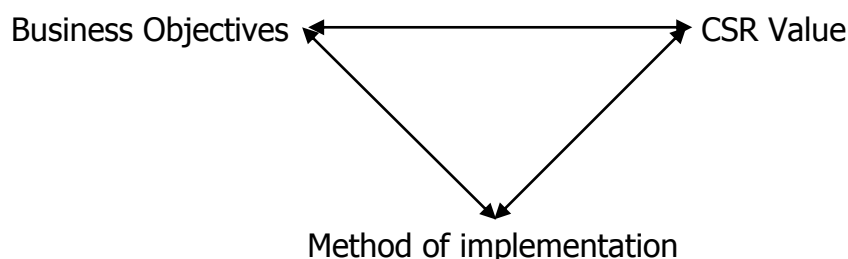


Fig. 3: Relation between components during the implementation of CSR

7.0. The proposed structural functional model

There exists interdependent relationship between the transnational companies and the host communities. Structural functionalism emphasizes the central role that agreement (consensus) between members of a society on morals plays in maintaining social order. This moral consensus creates equilibrium, the normal state of society. Societies are seen as coherent, bounded and fundamentally relational constructs, that function like organisms, with their various parts (social institutions) serving together. The various parts of society are assumed to work in an unconscious, quasi-automatic fashion toward the overall social equilibrium (Holmwood, 2005; Davis, 1959). The management of the resources can be developed with structural functional approach whose components are offered by the theory of management as planning, execution, control and evaluation or rectification (Fig.1). The customers, suppliers, employees, shareholders, gold mining communities, non-governmental organisations, national, regional and local governments, civil societies, environmentalists, religious groups and other stakeholders must be involved in all stages of management to ensure the principle of participation of stakeholders.

The cell of this complex relationship constitutes the management of natural resources and the benefits derived from these. For this, it must be demonstrated as the simplest and the essential of the referred theory; it bears the dialectic contradiction of all the components of the system. Though the poles of contradiction do not agree their common ground constitutes the management and the distribution of natural resources and the benefits derived from these.

The cell is the organic part that is present at all levels. Corporate Social Responsibility can be achieved through the interaction between the community and the company. The basic dialectic contradiction which underlies the relationship between these multinational firms and their host communities is based on the need of these companies to exploit the minerals resources to maximise their profits and the natural response of these communities directly fighting for their lives and livelihoods in the face of corporate abuse (Fig.1).

The common conflicting interest of the transnational firms and that of the host communities to manage the resources constitutes the cell which contains the operative element unfolding the genetic dialectic contradiction because it is the minimum denominator found at all levels of discussion and a bearer of the problem. Based on the dialectical contradictions and its cell, we pass on to the structure of CSR (Figure 4). The model of action of corporate social responsibility is given the maximum hierarchy where business objectives, stakeholders' aspirations and environment impacts assessments and mitigations are derived. This dialectic and structural functional model proposes a paradigm that suggests that the objectives of the company are derived from the CSR model of action and harmonised with the aspirations of all stakeholders and sees the company as part of a coherent system of interdependent parts.

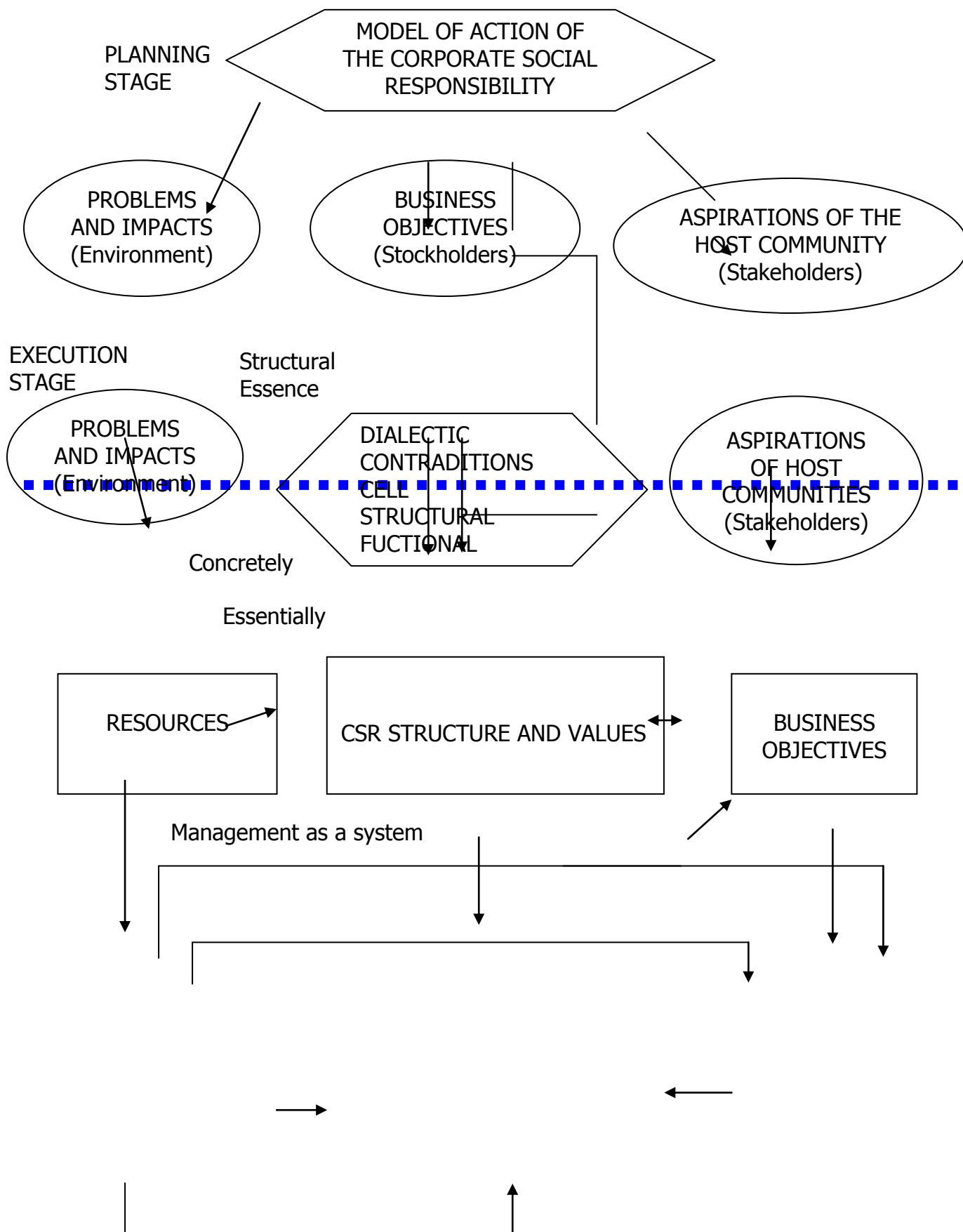


Fig. 4: The logic of interaction of design-business objectives and the aspirations of the community

7.0. The proposed structural functional model

Science in its development passes initially through the development of positivist approaches. Positivism here refers to study of relations existing between facts which are directly accessible to observation (Pickard and Dickson, 2004). Quantitative change leads to qualitative change (Hegel, 1874). The external description of an object is not enough to reveal its essence. This is just the structural functional approach of the theory under consideration. This analysis provides an external characterization necessary and positive phenomenological study of the object, but it is insufficient and does not exhaust the richness of the object, there is a need for thorough dynamic analysis of that object, its development and its dialectic. It is necessary to disclose dialectic contradiction of that object, which provides the motive force of development, based on which all the causal analysis can be done.

Finally, science must reveal the essence of the object of study, which provides the genetic exposition (i.e. genesis, cell) showing how a notion comes into being through the objective movement of the subject matter itself, unfolding the dialectic contradiction. In analyzing the corporate social responsibility one must recreate the logic of the historical process referred to, which is why the same should be developed through systemic epistemological approaches (structural - functional, positivist), dialectic (supported by the dialectic contradiction that must be revealed and developed in structuring the CSR) and genetic (disclosure and use of the cell). From a constructivist point of view, one must start from the dialectical contradiction and formalize both the cell and form the structural functional approach. Constructivism here refers to the form of research encompassed within the interpretativist paradigm, Constructivism being the belief that the knowable world is that of the meaning attributed by individuals. (Corbetta, 2003: 24 in Pickard and Dickson, 2004).

These justify the importance of the systemic epistemological approaches (structural - functional), genetic (cell) and dialectic (contradictory dialectic) in the model. Therefore, they must be disclosed in the development of epistemological discussions of CSR in this context

Conclusion

The dialectic contradiction which underlies the relationship between the multinational gold firms and their host communities that lies on the need of these companies to exploit the minerals resources to maximise their profits and the natural response of these communities directly fighting for their lives and livelihoods in the face of corporate abuse is revealed. Derived from the model of action of CSR and based on systemic (structural - functional) approaches, the restructuring of CSR of gold mining in Ghana is obtained for better integration, systematization and strengthening of the mining sector institutions to enable them perform their functions efficiently and effectively. This dialectic and structural functional model proposes a paradigm that suggests that the objectives of the company are derived from the CSR model of action and harmonised with the aspirations of all stakeholders and reaffirms the company as part of a coherent system of interdependent parts.

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