Corporate Social Responsibility in the Mining Industry: Exploring Perspectives of Host Communities in a Developing Country

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ABSTRACT

This paper aims to explore the social and environmental issues that are of priority/importance to the mining host communities in a developing country-Ghana. To explore the social and environmental issues that are of priority/importance to the mining host communities in a developing country, this study used Ghana as a test case and conducted 18 in-depth, semi-structured interviews with respondents drawn from the mining host communities of Prestea and Bogosu. The findings show that members of the host communities—the group deemed to be the most powerful and legitimacy-conferring stakeholder placed pressure (i.e., expectations and/or concerns) on the mining firms that operate in the host communities in terms of their social and environmental performance. Five themes, i.e., general categories, emerged from the data of this study in terms of the social and environmental issues that are of priority/importance to the host communities: a prioritisation of community development projects, environmental/sustainability-related issues, employment of indigenes/local enterprise development, communication of social responsibility information and preservation of local culture and tradition. This study is an exploratory study based on only 18 in-depth, semi-structured interviews, i.e., using purposive sampling. The implication of this study is that because developing countries have similar socioeconomic, cultural, and geopolitical features, the finding of this study may be relevant to researchers and policymakers in developing countries where multinational mining companies (MMCs) operate. Although mining communities’ awareness regarding corporate social responsibility has increased in recent decades, to date, we know little about the social and environmental issues that are of priority/importance to the host communities of mining firms in developing countries.

Keywords: Corporate social responsibility, Ghana, host communities, multinational mining companies.

1. INTRODUCTION

Previous research suggests that the implementation of CSR initiatives in developing countries may be more complex in view of its Western-centric tradition (Dobers & Halme, 2009; Visser, 2008). This assertion may necessitate that context-specific relevance is brought to bear in defining the social responsibilities of multinational enterprises (MNEs) in developing countries (Matten & Moon, 2008). Additionally, the assertion is that developing countries do not share the same socioeconomic, cultural, and geopolitical features that underpin social responsibility in developed countries (Dobers & Halme, 2009; Visser, 2008).

These assertions would suggest that in a local context characterised by weak and under-resourced governments (Matten & Moon, 2008; Visser, 2008), the social responsibility expectations (or concerns) in developing countries is that MNEs’ social responsibility activities will act as “vehicle for development,” and thereby, ensure the provision of various social services (e.g., roads, education, electricity, health care). Amos (2018b) provides a review of CSR research focused on developing countries.

More specifically, in the case of multinational mining companies (MMCs) operating in developing countries, the aforementioned societal expectations (or concerns) are even more pertinent (e.g., Amoako et al., 2017; Amos,
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2018a; Amponsah-Tawiah & Mensah, 2015; Awuah et al., 2021; Dong et al., 2014), as these individual firms seek to acquire a sense of legitimacy. Here, the question arises as to the extent to which MMCs’ CSR activities in developing countries apply the same standards as in the developed world (e.g., Amoako et al., 2017; Amos, 2018a; Dong et al., 2014). Dong et al. (2014, p. 60), for instance, argue that to improve their legitimacy, MMCs “tend to have higher levels of social and environmental disclosures to mitigate the effects of large and noticeable impacts on the environment and society”. The authors indicate that MMCs use their CSR initiatives to engage with “salient stakeholder groups” that have the potential impact on current CSR activities and disclosures.

Moreover, as host communities’ awareness regarding CSR has increased in recent decades (e.g., Amoako et al., 2017; Amos, 2018a; Amponsah-Tawiah & Mensah, 2015; Attah & Amoah, 2023; Awuah et al., 2021), it is crucial that we understand what this awareness means with regard to the mining industry. Yet, to date, we know little about the expectations (or concerns) of host communities in terms of the CSR activities of mining firms in developing countries. Researching CSR issues that host communities expect firms that operate in the extractive industry to address in developing countries remains scarce, with few exceptions (e.g., Amoako et al., 2017; Amos, 2018a; Amponsah-Tawiah & Mensah, 2015; Attah & Amoah, 2023; Awuah et al., 2021). Inspired by the above and drawing on the insights provided by legitimacy theory and stakeholder theory, the objective of this study is to help address the knowledge gap with regard to the CSR issues that host communities expect mining firms to address in a developing country-Ghana. This study is guided by the following research question:

RQ: What CSR issues are of priority/importance to the mining host communities in a developing country-Ghana?

To address this question, the study explores the extent to which the insights provided by legitimacy theory and stakeholder theory contribute to deepening our understanding of the CSR issues that are of priority/importance to the mining host communities in a developing country-Ghana. The data is based on in-depth, semi-structured interviews with respondents drawn from the mining host communities in Ghana, i.e., Prestea and Bogosu. This research method was deemed to be the most appropriate as the objective of the study requires that we explore, in some depth, the experiences and knowledge of the respondents in terms of the social and environmental issues that are of priority/importance to the mining host communities in a developing country-Ghana.

Against this background, this study seeks to contribute to the CSR literature as follows: First, this study provides new empirical evidence from a developing country perspective to the debate about CSR in the extractive industry, as we explore the CSR issues that are of priority/importance to mining host communities in a developing country (e.g., Amoako et al., 2017; Amos, 2018a; Amponsah-Tawiah & Mensah, 2015; Attah & Amoah, 2023; Awuah et al., 2021). This perspective is not only of importance to managers of mining firms but also relevant national institutions, such as the Minerals Commission, in terms of compliance with the Mining and Minerals Regulations of Ghana. Second, as a leading producer of gold on the African Continent, Ghana offers a rich empirical context to explore the social and environmental issues that host communities expect mining firms to address in a developing country. Third, a study focused on addressing the knowledge gap with regard to the CSR issues that host communities expect mining firms to address in a developing country–Ghana, i.e., a context where CSR awareness is almost non-existent, would provide a richer empirical context than studies focused on developed countries.

The remainder of the paper is organised as follows: Section 2 provides the theoretical and empirical foundations motivating this study. Section 3 describes the research method underlying this study. Following this, Section 4 provides the results of the interviews. Section 5 provides a discussion of the results, and Section 6 provides concluding remarks.

2. THEORETICAL AND EMPirical FOUNDATIONS

2.1. Corporate Social Responsibility

Since the term CSR appeared in the academic literature, there have been discussions as to what comprises its meaning and key elements (Davis, 1973). In one of the earlier views of CSR, Howard Bowen defines the social responsibilities of ‘businessmen’ as their obligations to “pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (Bowen, 1953, p. 6). Davis (1973, p. 312), in turn, offers a classic view of CSR as “the firm’s consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm [to] accomplish social benefits along with the traditional economic gains which the firm seeks”. Yet, in another early view of CSR, Carroll (1979, p. 500), proposes that: “the social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organisations at a given point in time”. Wood (1991, p. 695), in turn, suggests that “the basic idea of corporate social responsibility is that business and society are interwoven rather than distinct entities; therefore, society has certain expectations for appropriate business behaviour and outcomes”. A definition that has arguably gained prominence in the extant CSR literature is that of McWilliams and Siegel (2001, p. 117), where CSR is defined as “actions that appear to further some social good, beyond the interests of the firm and that which is required by law”.

From the perspectives above, it is clear that CSR as an expression of societal expectations of companies does little to prescribe “what actual practices might constitute CSR” (Jackson & Apostolakou, 2010, p. 373). This perspective may not be surprising given that by the very nature of business-society relationships, different societies may have varying expectations of business. The expectations (or concerns) of society from businesses may also be determined by their variability across (e.g., industry, national, geopolitical, economic, cultural, social) contexts in which individual (or subsidiary) firms of MNEs operate. Maon and Lindgreen (2015) sought to extend the CSR literature by introducing the notion of corporate cultural
responsibility (CCR). The authors argue that CCR reflects increasingly active consideration of cultural issues by companies and that the cultural impact of companies should be considered in future CSR research. The authors propose that the way companies address CCR concerns can be reflected according to three stances: cultural destructiveness, cultural carelessness, and cultural prowess (p. 755).

Of equal importance in companies’ pursuit of socially responsible behaviour is its relevance and variability “within the framework of time, environment, and the nature of the parties involved” (Sethi, 1979, p. 64). Thus, it follows that even in situations where societal expectations (or concerns) may be seen as legitimate, there are bound to be challenges. First, in a complex organisation such as MNEs, with several subsidiaries across different national contexts, and second, as to “whether social responsibilities should be addressed ‘internally’ through voluntary behaviour of individual firms or ‘externally’ through instruments of public policy, legal regulation, or other formal institutions for [...] promoting stakeholder involvement” (Jackson & Apostolakou, 2010, p. 373).

2.2. A Stakeholder Perspective of CSR

In his often-quoted essay in the New York Time Magazine, “The Social Responsibility of Business is to Increase its Profits,” Friedman (1970) sought to draw a distinction between the responsibilities of business managers and those of government. Friedman’s perspective is shared by many CSR commentators who argue that accepting its legitimacy by business would lead to a compromise in the pursuit of shareholders’ value maximisation (Moon & Vogel, 2008). Although it is understood that Friedman’s distinction was primarily motivated by utilitarian and accountability expectations (or concerns), it has been called into question as the debate around the CSR concept continues to flourish (p. 755).

Building on stakeholder theory, Mitchell et al. (1997) extend Freeman’s (1984) perspective, arguing how particular stakeholders that matter to the organisation are prioritised by examining them on the basis of their possession of three attributes: power, legitimacy, and urgency. The central idea in the argument of Mitchell et al. (1997) is that the more the particular stakeholder’s claim matters in terms of power, legitimacy, and urgency, the higher the chances that the particular stakeholder’s expectations (or concerns) will be addressed. Mitchell et al. (1997) argue that a highly salient (definitive) stakeholder possesses all three attributes, and for that reason, managers of firms have a clear mandate to prioritise that particular stakeholder’s expectations (or concerns). Conversely, stakeholders who possess two of the attributes are expectant stakeholders who are said to either lack urgency or legitimacy to expect (or demand) change or power to enforce their expectations (or change). The low-salience group of stakeholders only possesses one of the three attributes and has at least the power to bring about their expectations (or change).

2.3. CSR Initiatives–A Path Towards Securing/Maintaining Legitimacy

Legitimacy theory explains that an organisation achieves legitimacy when it behaves in line with the norms and bounds that underlie the society in which it operates. It follows that as organisations engage in CSR activities, they may succed in gaining, managing, or repairing their legitimacy with the relevant stakeholders (Davis, 1973; Dowling & Pfeffer, 1975; O’Donovan, 2002; Suchman, 1995). This perspective would suggest that for an organisation to be regarded as socially responsible, its CSR actions must be made visible and/or accessible to internal as well as external stakeholders. Regarding this, Jamali (2010, p. 188) observes that MNEs “with a global footprint or global brands are particularly reproached in discussions of CSR in developing countries in light of their perceived enormous power and potential influence on geopolitical and economic affairs.” Consistent with this perspective, we can expect that large organisations, such as MNEs, will be more visible and accessible to the public than their smaller counterparts.

There are suggestions that when organisations communicate too much about their CSR activities, they risk losing credibility in the face of their stakeholders. This is what Ashforth and Gibbs (1990) and Morsing and Schultz (2006) refer to as the self-promoters paradox, therefore suggesting that too much CSR communication might hurt the company’s credibility instead of improving it. Regarding this, Morsing and Schultz (2006, p. 332) argue that “too much ‘sense-giving’ regarding CSR efforts may be counterproductive [hence], it is argued that companies already perceived as legitimate constituents do not need to communicate their CSR efforts loudly.” In this way, the need to guard against the self-promoters paradox becomes crucial as the level of scepticism that surround a firm’s CSR actions (or inactions) deepens. Along these lines, Frankental (2001) calls attention to the suspicion that CSR constitutes one set of agendas that firms prefer to talk about and not act upon, therefore suggesting its role in the corporate world as a public relations tool.

Dowling and Pfeffer (1975, p. 123) explain that an organisation is regarded as legitimate when it is adjudged to be “just and worthy of support.” The authors argue that society judges the legitimacy of an organisation on the basis of the latter’s image. It follows that both the expectations and the perceptions that society has for an organisation can change over time, with further implications for an organisation’s legitimacy, notwithstanding changes in the actual activities of the organisation. Therefore, the image of the organisation, i.e., how it is perceived, together with the expectations of society, comprise the important factors that must be managed if the organisation is to gain, manage or repair its legitimacy. In terms of how organisations can pursue legitimacy, Van Staden and Hooks (2007) argue for either a reactive or a
proactive approach. The reactive approach suggests that an organisation will communicate its social responsibility information in order to react to a particular event (e.g., the spillage of toxic chemicals in a mining firm) and its potential impact on the host community. Conversely, the proactive approach involves a deliberate attempt by the organisation to prevent a legitimacy threat.

3. Methods

3.1. Selection of Respondents

This study employed purposive sampling (Patton, 2002) to identify the respondents, i.e., the interviewees. Following Eisenhardt (1989) and Eisenhardt and Graebner (2007), this study sought respondents who are known to have sound knowledge and experiences relating to the CSR activities of the mining firms in the host community. Altogether, 18 in-depth, semi-structured interviews were conducted in the mining host communities of Prestea and Bogosu with as diverse a sample as possible, including traditional authorities, members of the district assembly, influential residents, and residents of mining-related displaced/resettled communities. This diversified sample composition was deemed to be appropriate to capture different views in relation to the social and environmental issues that the host-communities expect the mining firms to address. Whilst most of the respondents were recruited via personal visits and phone calls, other respondents were reached through snowballing, i.e., one respondent referred the researchers to another potential respondent. Our research approach was inspired by Patton (2002, p. 230), who states that “the logic and power of purposeful sampling lie in selecting information-rich cases to study in-depth; information-rich cases are those from which one can learn a great deal about issues of central importance to the purpose of the inquiry.” Patton (2002) also states that qualitative inquiry typically focuses in-depth on relatively small samples that are selected purposefully. Conversely, quantitative methods focus on larger samples that are selected randomly.

3.2. Semi-Structured Interviews

Following Yin (2014), an interview guide was developed based on the literature presented in the previous section and the objective of the study. It was pre-tested with four potential respondents, including one academic with interests in CSR. We explored, in some depth, questions about the CSR activities of the mining firms that operate in the communities and the CSR issues that the host communities expect the mining firms to address. The questions included: Why is CSR a central issue in the host communities, how important are the relationships between the host communities and the mining firms that operate in the communities, what CSR issues attract the attention of the host communities and why?, the rationale for particular social and environmental responsibility expectations (or concerns) of the host-communities, the significance of local cultural beliefs and traditional practices on the activities of the mining firms, CSR expectations vis-à-vis CSR information sharing between the mining firms that operate in the communities and the host-communities. In all 18 in-depth, semi-structured interviews, the interview guide was used only in steering discussion around common themes.

A total of 18 in-depth, semi-structured interviews with respondents drawn from the two mining host communities were conducted over a four-month period from July 2021 to October 2021. Interviews were deemed to be an appropriate way to obtain information because they would allow follow-up questions to ground responses on specific knowledge and experiences in the empirical context. Interviews lasted between one-and-quarter hours and one-and-half hours. Most of the interviews were conducted in English, which is the official language of Ghana. However, some of the interviews began in English and were interspersed with ‘Fanti,’ a major local language of Ghana. This did not make the conversation with the interviewees difficult; instead, it made it more understandable to the researchers, as the enthusiasm with which the interviewees expressed their views was carefully noted. All interviews were tape-recorded, with the consent of interviewees, translated into English where necessary and then transcribed. The translation was scrutinised against the tape recording, and corrections (or amendments) were made where necessary. The interviews were conducted until it was detected that saturation in responses from the respondents had been achieved (Kvale, 2007; Kvale & Brinkmann, 2009).

3.3. Data Analysis

Following the transcription of the interviews, thematic analysis (Braun & Clarke, 2006) was used to analyse the data. Thematic analysis was deemed to be the most appropriate approach to data analysis because it guides the interpretation of data as well as the application of one’s judgement and experience in drawing out themes that help improve understanding and generate insights (Braun & Clarke, 2006; Spiggle, 1994). Bailey (2007, p. 155) defends the appropriateness of thematic analysis and states that “thematic analysis works most effectively when you seek themes that address your research questions, frame themes conceptually, and explore links among them”. Braun and Clarke (2006) advise that themes may be constructed inductively (i.e., based on theory or previous research) or deductively (i.e., obtained directly from the phenomenon being studied). This paper used a hybrid (i.e., both inductive and deductive) approach, thereby allowing the researchers to use their knowledge of extant CSR activities and theory, as well as permitting them to look for new insights (or themes) that might emerge from the data.

We then proceeded by following the process of interpretive analysis, as suggested by Spiggle (1994). We analysed each interview separately and made extensive notes on the patterns of meaning and issues of potential interest, as well as the interpretation of key themes (i.e., categories) that emerge from the data. Thereafter, the key themes identified were categorised into more general conceptual classes (or themes), as suggested by Spiggle (1994). To ensure coherence, i.e., work towards merging the parts of the data together, more concrete categories (or themes) were incorporated into fewer, more general categories (themes), as suggested by Spiggle (1994). Direct quotations from the
Interviewees were used to provide transparency and clarity, thereby enriching the results. Thus, unless otherwise stated, the quotes, as well as the themes presented under the “Results,” are meant to summarise the views of multiple respondents.

In the next section, we present the results along with reflections from the prior literature. This is followed by the discussion and conclusions section of the paper.

4. Results

4.1. Demographic Information

18 respondents from the mining host communities, i.e., Prestea and Bogosu, were included in this paper. From Table I, one can note that five respondents were either working or had worked in mining and related supplies firms. We were of the opinion that respondents with mining and related supplies backgrounds would have more knowledge and experiences in relation to the social and environmental activities of the mining firms in the communities. The remainder of the respondents were three advocates in the area of social and environmental issues in the host communities, four members of the district assembly, three members of the traditional authorities of the communities, and three residents of mining displaced and/or resettled communities. The respondents have, on average, lived in their present communities for 27.2 years, which is relevant, given that one's opinions become richer as he/she lives and experiences the social and environmental activities of the mining firms in the host community. On the other hand, their mining host community experience indicates that they have, on average, lived in mining host communities for 31.4 years. Again, this is quite relevant, given that as mining host communities are exposed to similar socioeconomic factors, one can expect the respondents to possess enormous host community and mining industry experience, which would enrich their views on the social and environmental activities of the mining firms in the host communities. Overall, the sample composition suggests that a reasonable number of respondents from diverse backgrounds and host community experiences were included in this paper. This would suggest that a cross-section of different views with respect to the social and environmental expectations and concerns of the host communities would be covered in the interviews.

<table>
<thead>
<tr>
<th>Background/Work experience</th>
<th>Frequency</th>
</tr>
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<tbody>
<tr>
<td>Mining/related supplies</td>
<td>5</td>
</tr>
<tr>
<td>Local CSR advocates</td>
<td>3</td>
</tr>
<tr>
<td>Local gov’t authority</td>
<td>4</td>
</tr>
<tr>
<td>Traditional authority</td>
<td>3</td>
</tr>
<tr>
<td>Mining displaced/resettled communities</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
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<tr>
<td>Year(s) lived in the present community</td>
<td>27.2</td>
</tr>
<tr>
<td>Year(s) lived in mining communities</td>
<td>31.4</td>
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4.2. CSR Issues that are of Priority/Importance to the Host Communities: Replication of Previous Empirical Research Investigating CSR in Developing Countries

As the empirical setting of this study—mining host communities in Ghana—is a developing country, we expected to find both similarities with and differences from what we know about CSR in developing countries. In this section, we present results (or themes that emerged from our data) that replicate those from extant CSR research on developing countries: a prioritisation of community development projects, environmental/sustainability-related issues, employment of indigenes/local enterprise development and communication of social responsibility information.

4.2.1. High Expectations for CSR Activities in the Host Communities: A Prioritisation of Community Development Projects

To begin with, the interviewees were asked to indicate whether they had any concerns and expectations in terms of the social and environmental impacts of mining activities on their communities. All interviewees indicated that they had expected the mining firms to attend to their various social issues—particularly community development projects since it is the community that gives the mining firms their “social license” to operate, as suggested by legitimacy theory. The prioritisation of community development projects by the interviewees would suggest and/or reinforce the notion that the host communities regard their “social license” to operate as a result of various local media bodies and non-governmental organisations (NGOs) raising concerns about the poor social infrastructure in mining displaced and/or resettled communities. In line with the customary laws of Ghana (e.g., Amos, 2018a; Attah & Amoah, 2023; Awuah et al., 2021; Garvin et al., 2009), the traditional authorities are deemed to be the “custodians” and “rightful owners” of the land on which the mining firms operate in Ghana. Therefore, the interviewees also indicated that those social and environmental concerns and expectations appeared to have gained attention in the host communities as a result of various local media bodies and non-governmental organisations (NGOs) raising concerns about the poor social infrastructure in most mining host communities in developing countries. In expressing their opinions on the expectations that the mining firms should address the various social and environmental issues that the host communities face, it was stated:

“During the early years, the mining firms had CSR initiatives of their own and addressed the social and environmental issues of the host communities and no undue pressure was placed on them [...]. However, in later years, the host communities changed their attitude towards the mining firms because of increasing concerns and expectations in terms of various social issues the host communities face [...]. We had to change our approach to fit with what we hear and read from various local and international media bodies and NGOs that have expressed concerns about the poor social infrastructure in mining communities.”
The above quote emphasises how the host communities felt a need to react to changing (stakeholder) expectations and concerns in terms of various social issues the host communities face. The interviewees were asked about what specific social issues—particularly community development projects—were expected from the mining firms. All interviewees indicated that most social issues revolve around community development projects, for example, electricity, health care, education, roads, and potable water. However, some of the interviewees believed that, in the years ahead, serious thoughts would have to be given to a holistic approach to community development projects and not just an ad hoc approach to community development projects, as has been the prevailing practice. The following quotation is typical of these opinions:

“For us, we give community development projects our first priority [...] At the host community level, our primary concern is to try to recount how we have benefited from mining activities that are carried out in our communities [...] It is important to build and sustain some cordial relations between the host communities, as stakeholders, and the mining firms for the sake of the community development projects the mining firms fund for us [...] We feel that this is much in line with the principles and values behind social responsibility.”

Again, what the above quotes emphasise is the reactive nature of the host communities to the perceptions of the various local media bodies and NGOs, raising concerns about the poor social infrastructure in mining host communities in developing countries. The above comments would suggest that the mining firms in the communities reacted to the social responsibility concerns and expectations when it became quite apparent that failure to do so would lead to the loss of a social “license to operate”. This reaction is consistent with the perspective provided by legitimacy theory—that CSR initiatives are made in an effort to win the support of various stakeholders, including mining host communities.

4.2.2. Environmental and Sustainability-Related Issues

Consistent with the social and environmental concerns and expectations of host communities of companies that operate in the extractive industry in developing countries (e.g., Amoako et al., 2017; Amos, 2018a; Amonsah-Tawiah & Mensah, 2015; Attah & Amoah, 2023; Awuah et al., 2021), environmental/sustainability-related issues caught the attention of the respondents. These social and environmental concerns and expectations can be understood because mining firms depend on the natural environment for their business “license to operate”. The interviewees suggested that in view of the negative environmental impact of mining activities, more action will need to be taken on this front. “Care for the host communities”, “care for the natural environment”, “care for the quality of air we breathe”, “care for the quality of our water bodies”, “care for the sustainability of employees’ jobs”, were emphasised by the interviewees:

“If you can’t care for the natural environment, don’t mine [...] Mining firms must show that they have an agenda to care for the environment. Those who are not proactive regarding environmental issues can’t be on the list of responsible companies [...] No effort should be spared in saving the natural environment [...] Serious thoughts will have to be given to improving the environmental performance of mining firms in our community [...]”.

The above responses emphasise—consistent with legitimacy theory—that environmental/sustainability-related issues of concern to the host communities are a reflection of efforts that should be made by the mining firms to win the support of the host communities and, in particular, CSR issues related to the natural environment should be highlighted by the mining firms in the communities. Some of the interviewees were of the view that in host communities, it is the mining firm that initiates and seeks the support of the host communities to move some CSR agenda forward.

Besides the host communities acting as key stakeholders, some of the interviewees suggested that government “regulatory bodies” also act as a source of pressure to strengthen the social and environmental expectations and concerns of the host communities. This is particularly because of the dependence the mining firms in the communities have on the political and administrative government. The following quotation is typical of this opinion:

“Through CSR activities that address environmental and/or sustainability-related issues, the mining firms in our community want to show us that they not only earn money but also have the natural environment in their social sector [...] To be fair to the mining firms, in most cases, they try to avoid environmental/sustainability-related issues that are detrimental to our community [...]”.

It is quite apparent that the negative environmental impact of mining—which emanates primarily from the environmentally irresponsible nature of mining activities, as well as the various local media bodies and NGOs raising concerns about the impact of mining on the natural environment—created a need for the host communities to react in expecting solutions to environmental/sustainability-related issues from the mining firms. Most of the interviewees agreed that the host communities are deemed to be one of the most powerful and/or legitimacy-conferring stakeholders that appear to have influence over the social and environmental performance of the mining firms in the communities. For example, some interviewees stated:

“We have high expectations that the mining firms in our communities will follow their guidelines of operation and corporate social responsibility [...] The regulatory bodies don’t want any promises; they want the mining firms in our communities to take appropriate actions corresponding to their impact on the natural environment [...] We believe that CSR
actions by the mining firms are the pre-condition for doing business in our communities [...]

4.2.3. Employment of Indigenous/Local Enterprise Development

Demand for employment of indigenes in the host communities has also been a social issue that is of priority to the interviewees. A recent article by Awuah et al. (2021) supports this result:

“It was emphasised that host communities would offer assistance in the form of labour to help implement projects. [In the latter stages], all the host communities in the research communities requested pay and compensation to assist their various community.”

Amos (2018a, p. 1185) reported a similar phenomenon, noting that other CSR-related issues, for instance, employment of indigenous communities and support for local enterprise development, are high in mining communities in Ghana. Many of the interviewees, for example, expressed this theme as follows:

“In general terms, almost everyone is looking up to [name of a mining firm] for [formal] employment in this community. We feel that this will satisfy our people with the presence of [name of a mining firm] in our community. Our people want to have jobs for themselves in the communities. At the moment, it is going to take a long time to find a job. In the interim, the unemployed indigenes could be given casual jobs in the mines, while other solutions are considered on how to provide job opportunities for the teeming youth who remain unemployed in the communities”.

Besides employment opportunities for indigenous people of the host communities, some interviewees added “local enterprise development” as CSR issues that are of importance to the host communities. These interviewees noted the importance of local enterprise development and stressed the crucial role mining firms can play in growing the local business sector. The interviewees also described many novel approaches that could support the development of diverse stakeholder relationships and, thereby, contribute to the development of a secondary economy in the host communities. Those commonly mentioned are “procurement from local enterprises”, “support for alternative livelihood programmes”, “empowerment of community leadership,” and “building and/or deepening local supplier networks”. The following quotation is typical of this position:

“Many times, in host communities, it is expected that the mining firms will help grow the local economy. The issue of growing the local economy shouldn’t be left to the central government alone to address [...]. In mining host communities in Ghana, CSR is absolutely driven by the private sector. Many times, [name of a mining firm] is much more willing to have relations with the business community in the surrounding communities [...]. But in general terms, all businesses are usually welcome to have business relations with the mining firms in our communities”.

In essence, the opinions provided by the interviewees appeared to be driven by economic considerations rather than any real ethical or moral considerations in the desire for employment by the indigenes of the host communities.

4.2.4. Communication of Social Responsibility Information

The interviewees were further asked whether, in their opinion, the concerns and expectations about the impact of mining on the natural environment could be attributed to an apparent “information gap” arising from social responsibility information sharing in the host communities. Many of the interviewees indicated that it is not only the host communities of the mining firms but the Ghanaian society as a whole that expected information on the various social and environmental issues arising from mining activities (particularly practices of social responsibility and its associated communication). There were also opinions from some interviewees that perhaps it was inappropriate to expect social responsibility information to cover all aspects of the social and environmental issues arising from mining activities. Nonetheless, the mining firms in the communities can be expected to address the CSR concerns and expectations of a complex set of stakeholder relationships if they were deemed to be legitimate. For example, some interviewees noted:

“Mining activities naturally cause negative environmental effects that affect people living in the surrounding communities. Hence, sustainability practices and associated communication by [name of a mining firm] could serve to inform and educate not only the host communities but also other stakeholders about steps taken to address their concerns [...]. Mining firms should be better off when they communicate their sustainability performance to their host communities and the broader Ghanaian society”.

Our research results confirm some of the propositions put forward by Morsing and Schultz (2006) that when companies want to communicate with stakeholders about their CSR performance, managers should move from ‘informing’ and ‘responding’ to ‘involving’ stakeholders in CSR communication itself. The data of this paper suggest that the implementation of CSR communication occurs in an open social system and heightens stakeholder engagements characterised by trust and commitment, as suggested by the stakeholder literature. The following quotation is typical of these opinions:

“Building relationships with [name of a mining firm] is at the heart of our communities [...]. We doubt if [name of a mining firm] will intentionally give us false information about its social responsibility activities [...]. Anytime our communities have had questions on social responsibility activities, managers of [name of a mining firm] had provided satisfactory answers. We believe that dialogue with [name of a mining firm] is
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It, therefore, appeared that an apparent concern expressed by various local media bodies and NGOs about the impact of mining on the natural environment also led—consistent with the insight provided by stakeholder theory—to the host communities expecting social responsibility information from the mining firms that operate in their communities, in a transparent manner and consistent with ‘best practice’ in social responsibility issues in the mining industry. Some of the interviewees noted that it is now a pre-condition of doing business in the mining industry to adopt a social code of conduct and communicate social responsibility information. Some interviewees stressed that: “You can’t speak about transparency only because you have a CSR report”. Nonetheless, in order to be regarded as legitimate, mining firms would be expected to open their activities to the scrutiny of different stakeholders through the communication of social responsibility information.

The views of the interviewees suggest that an apparent expectation (or pressure) exerted by the powerful stakeholders, in this regard, the host communities (consistent with the concept of a highly salient (definitive) stakeholder possessing all three attributes: power, legitimacy and urgency, as described by Mitchell et al., 1997), appeared to have influenced the social responsibility behaviour of the mining firms in the host communities in terms of social responsibility information sharing. The data of this paper also suggest that it is not only the social responsibility information expectations of the host communities but also some government regulatory bodies that have had an influence on the social responsibility activities and associated communication of the mining firms in the communities.

4.3. CSR Issues that are of Priority/Importance to the Host Communities–Emergent Findings

4.3.1. Preservation of Local Culture and Tradition

While the need for exploring the cultural impacts of a firm’s activities on the value systems and enduring beliefs of affected people has been recognised in the CSR literature, many of the interviewees stressed that mining firms operating in line with local culture and tradition is an essential aspect of “co-existence” in the host communities. Some interviewees perceived local culture and tradition as an aspect of “modern” management practice linked to responsibility management in the mining industry. The interviewees referred to the way mining firms address local culture and tradition as a “new form of CSR,” or “new way” to reconcile business activities and/or outcomes with deeply held cultural and historical beliefs of affected people.

In 2015, Maon and Lindgreen published a conceptual article whose central thesis is that the way firms address cultural concerns may be operationalised according to three stances: “cultural destructiveness,” “cultural carelessness,” and “cultural prowess.” The data of this study provide empirical evidence in support of the need for mining firms to increasingly consider cultural concerns expressed by their host communities. For example, some interviewees stated:

“We try to pass our cultural and traditional beliefs and practices onto the way the mining firms operate in our communities. In general, mining firms are big businesses that ought to have respect and conscience for certain cultural and traditional beliefs. So, what we do here is to sensitise the mining firms on the need to comply with our culture and tradition in order to preserve the cultural and traditional beliefs of our communities, and these include all aspects of cultural concerns”.

In describing the ‘ideal’ and/or properly developed social responsibility initiatives by the mining firms in the host communities, some interviewees stressed the importance of integrating local culture and tradition into a mining firm’s social responsibility strategy along with developing key relationships with the host community—the group deemed to be the most powerful and legitimacy conferring stakeholder, which is consistent with stakeholder theory and legitimacy theory. This finding would suggest that for a mining firm in the host community to maintain its social “license to operate,” then its managers must address the concerns of the community and/or comply with the expectations of the community in which it operates, as explained by stakeholder theory and legitimacy theory (e.g., Dowling & Pfeffer, 1975; Mitchell et al., 1997; Van Staden & Hooks, 2007). Some interviewees expressed this as follows:

“In this community, if [name of a mining firm] doesn’t consider and address how its activities affect the cultural and traditional beliefs of our people, it can’t call itself socially responsible, even if it protects the natural environment and has good relations with the community. The way [name of a mining firm] addresses the cultural or religious beliefs of the community is the most important thing. If [name of a mining firm] doesn’t have this, it doesn’t have anything and lacks corporate citizenship consciousness in our community”.

Although the interviewees recognised that the mining firms operating in the communities were primarily responsible for initiating social responsibility activities, they were adamant in admitting that all mining firms should show similar commitment towards preserving local culture and tradition. Given the cultural and/or religious zealously among the respondents interviewed in this paper, paying particular attention to issues associated with culture and/or religious convictions and expectations in the host communities was often seen as central if a mining firm in the communities is to maintain its social “license to operate.” This result is consistent with the legitimacy theory explanation that a firm achieves legitimacy when it behaves in line with the norms and bounds that underlie the society in which it operates. Some interviewees put the need to tailor the social and environmental responsibility activities of the mining firms to suit the host community’s cultural and/or religious beliefs as follows:

“In the host communities [ . . . ] a mining firm’s activities had to be conscience driven and based on actions
5. DISCUSSION

According to the interviewees in this study, the mining firms that operate in the host communities are socially relevant to them and remain the primary focus of the social and environmental responsibility expectations of the host communities. The social and environmental responsibility expectations expressed by the interviewees reflect the ‘industry context’ in which the social and environmental issues that are of priority/importance to the host community but also focus on the distinctiveness of the ‘industry context’ in which the social and environmental responsibility expectations (or concerns) of the host communities is to be understood.

5.1. New CSR Issues that are of Priority/Importance to the Host Communities

Some of the CSR issues that are of priority/importance to the host communities—a prioritisation of community development projects, environmental/sustainability-related issues, employment of indigenes/local enterprise development, and communication of social responsibility information—replicate previous empirical research investigating CSR in developing countries. However, other findings emerged from the data of this study that are quite novel to empirical research investigating CSR in developing countries: Preservation of local culture and tradition was perceived by the interviewees as an essential part of “co-existence” in the host communities and linked to an aspect of modern management practice and responsibility management. We argue that failure by a mining firm to operate in accordance with local culture and tradition can create a legitimacy threat for the mining industry, suggesting the need to examine the social and environmental responsibility activities of not only individual mining firms but also those of the mining industry in concert.

Maon and Lindgreen (2015, p. 761) argue that companies often “tend to neglect or overlook the cultural dynamics and consequences related to their activities” and propose CCR as an extension of CSR. This conceptual extension of CSR finds empirical support from the data of this paper. This extension from prior research has revealed a differentiating feature that can contribute to legitimacy theory. In essence, CCR may be implemented strategically as a legitimising strategy pursued by mining firms and, as a result, alter society’s concerns and expectations about the impact of mining activities on the cultural values and traditional beliefs of communities in which mining firms operate. Therefore, a mining firm complying with the cultural values and traditional beliefs of the community in which it operates in a developing country may contribute to securing/maintaining organisational legitimacy as well as legitimacy for an entire mining industry in a developing country.

The insights provided by stakeholder theory and legitimacy theory would suggest that an organisation will respond to the expectations (or concerns) of powerful and legitimacy-conferring stakeholders, and some of the responses will be in the form of strategic CSR activities targeted at the host community. Consistent with this perspective, we can expect the host community in a developing country to strengthen its relationships with the mining firms that operate in the community and, through this, exploit interdependencies derived from stakeholder relationships in order to acquire a sense of legitimacy (Dowling & Pfeffer, 1975; O’Donovan, 2002; Suchman, 1995). The data of this paper suggests that the host communities perceive the mining firms that operate in the communities as embedded in a complex stakeholder relationship that requires that having their social and environmental responsibility expectations addressed is crucial to maintain the mining firms’ social “license to operate.” The results of this paper partially support the “managerial implications” of the stakeholder theory put forward by Donaldson and Preston (1995, p. 85) that “stakeholders are identified through the actual or potential harms and benefits that they experience or anticipate as a result of firm’s actions or inactions.” In addition, the data of this paper suggest that the “influencers” of a firm, such as the host communities in which mining firms operate, may be key allies characterised by dynamic stakeholder relationships, especially in a developing country where CSR awareness is almost non-existent.

6. CONCLUSION

This paper provides a contribution to the CSR literature focused on developing countries as it provides insights into the social and environmental issues that are of priority/importance to mining host communities in a developing country—Ghana, and then seeks to explain these social and environmental issues that are of priority/importance to the host communities by a consideration of the insights provided by stakeholder theory and legitimacy theory (as explained in the theoretical and empirical foundations part of the paper). This study has shown that unless we explore, we would be unable to understand the rationale...
(or justification) that underlie the social and environmental issues that are of priority/importance to host communities in terms of the activities of mining firms in a developing country. The social and environmental responsibility issues that are of priority/importance to the host communities appeared to be motivated by legitimacy considerations arising from their position as “custodians” and “rightful owners” of the land on which the mining firms operate. This would suggest that the host communities acting in a capacity as powerful stakeholders can create a legitimacy threat and/or confer legitimacy on the mining firms that operate in the host communities. The implication of this study is that because developing countries have similar socioeconomic, cultural, and geopolitical features, the finding of this study may be relevant to other researchers and policymakers in other developing countries where mining firms operate. This paper is an exploratory study based on only 18 in-depth, semi-structured interviews, i.e., using purposive sampling. As social and environmental responsibility research is largely driven by the distinctiveness of ‘industry-context,’ future qualitative, i.e., in-depth exploratory research applying the stakeholder theory and legitimacy theory as lenses in a different developing country, and the mining industry should provide evidence to support or refute the results of this paper.

**Conflict of Interest**

The authors declare that they do not have any conflict of interest.

**References**


