



Original article

Corporate social responsibility and power relations: Impediments to community development in post-war Sierra Leone diamond and rutile mining areas



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ABSTRACT

This article examines the influence of transnational mining companies' (TNMCs) Corporate Social Responsibility (CSR) initiatives in diamond and rutile dredge-mining areas in post-war Sierra Leone. The CSR framework applied encompasses the social license to operate, community engagement and accountability, and a critical lens of power dynamics. Key informant interviews and secondary sources provided data for the study. Findings from the research reveal that with the exception of the establishment of Kimbadu, the resettled town, implementation of CSR initiatives facilitated minimal, and at times, unsustainable, community development. It is argued that such 'development' outcomes are primarily due to asymmetrical power relations between TNMCs (i.e. Ocea Mining and Sierra Rutile Limited) and the mining communities in which these companies engage in pre-defined development projects that are, in many instances, at variance with community needs. Moreover, the social structure at the local level impedes community development. The study recommends active engagement of disparate groups within the community in decision making at all stages of mining-driven community development rather than the extant social structure that gives exclusive powers to traditional leaders. It also calls for the establishment of an independent regulatory team to ensure enforcement of legal responsibilities in mining areas.

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1. Introduction

Although industrial mining can be regarded as a catalyst for economic development and a vehicle for improving the living conditions of affected communities, its contribution to local development in developing countries, especially those in sub-Saharan Africa (SSA), is highly debatable (Hilson, 2006; Maco-nachie and Hilson, 2013; Mutti et al., 2012). While most transnational mining companies (TNMCs) tout their 'development' contribution to mining communities, a number of grassroots-level analyses have shown that they make minimal impact (Hilson, 2006; Hilson and Yakovleva, 2007). Increasingly, though, TNMCs have embraced Corporate Social Responsibility (CSR) initiatives geared towards the development aspirations of the host countries, themselves, and civil society groups (Mutti et al., 2012). Generally, CSR is recognized to be "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary

basis" (European Commission Green Paper, 2001), and as "balancing the diverse demands of communities, and the imperative to protect the environment, with the ever present need to make a profit" (Jenkins and Yakovleva, 2006:272). Community development has become an integral element of CSR for a number of TNMCs.

In the case of Sierra Leone, despite a remarkable growth in industrial-scale mining in the post-war years (since 2002), there are mixed signals as to whether it has made meaningful contributions to community development.¹ Part of the problem is that large incentives to TNMCs in the form of tax concessions and waivers reduce total mineral revenues for the state and mining communities in particular (Akiwumi, 2012; Zulu and Wilson, 2012). Nevertheless, the 2009 Mines and Mineral Act (MMA), which is the current overarching mining law, contains specific clauses requiring that companies invest in the local development of mining communities. Indeed, Article 138 stipulates that industrial (large-scale) mining companies must assist in the

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E-mail address: swilson@rsu.edu (S.A. Wilson).¹ As of 2010, there were 35 small-scale mining companies engaged in alluvial mining, and five Transnational Mining Companies (TNMCs).

development of mining communities affected by industrial mining in order to promote sustainable development, improve the general welfare and quality of life of mining communities, and recognize and respect the rights, customs, traditions, and religion of mining communities (GOSL, 2009). While such legislative reform demonstrates that more emphasis is being placed on CSR in post-war Sierra Leone, the extent to which companies have contributed to community development is debatable.

Scholarly investigations have revealed divergent outcomes about the impact of CSR initiatives on mining communities in developing countries (Hinojosa, 2013; Van Alstine and Afonis, 2013). Some scholars maintain that CSR is little more than a public relations practice (Eweje, 2006; Hamann and Kapleus, 2004). Others report that it has not made significant in-roads towards the development of mining communities due in part to the community development models adopted by mining companies (Hilson, 2006; Kamlongera, 2013). Indeed, Yakovleva (2005) notes that TNMCs' community development initiatives are guided by models of governance such as company-led approach, philanthropic corporate foundations, and the tri-sector partnership model. The tri-sector partnership model in which mining community development and other concerns are addressed by cooperation between mining companies, the state and civil society organizations, is regarded as a more viable way of fulfilling CSR objectives (Hamann, 2003). Another group of scholars emphasize the need for critical perspectives on CSR in the developing world. Their views include consideration of how broader structural and contextual factors affect what CSR initiatives can or cannot achieve, and the need to pay specific attention to issues of power and participation (Blowfield and Frynas, 2005; Prieto-Carrón et al., 2006). However, very little empirical research has explored the complex role of power in examining links between CSR and community development in sub-Saharan Africa. The purpose of this study, therefore, is to broaden knowledge of the corporate mining-community development nexus by providing a more nuanced understanding of the ramifications that power differentials between and amongst disparate actors could have on community development. Community development here refers to activities undertaken by mining companies in collaboration with host communities that are geared towards positive social outcomes such as improving people's quality of life (e.g. better social services and infrastructure), fulfilling human development aspirations, and enabling community members to be active participants in decision making to achieve long-term control over their lives (Hamann and Kapleus, 2004; ICMM, 2012; Kemp, 2010).

In this paper, power is construed as the ability of actors to influence decisions that would enhance access and control of social benefits from corporate mining and is also manifested in the form of authority and capacity of action (Kemp, 2010; Long, 2001). Power asymmetry refers to the disproportionate power wielded by disparate mining-industry stakeholders and amongst local community members – in other words, how power is wielded by different actors, their motivations, and the factors that allow, reinforce or fail to mitigate these power differentials.

This paper draws upon elements of a typical CSR framework, specifically a 'social license to operate', accountability and community engagement approaches, and uses power as a lens more critically, to examine how company-led efforts in this area influences community development in two mining areas in post-war Sierra Leone. This framework is suitable for the study as it allows for a nuanced understanding of how power relations between and amongst mining actors and the social structure at the local level influence community participation and development outcomes (or a lack thereof) in mining communities. The paper examines the impact of effort made by OCTEA Mining (OM), a

kimberlite diamond mining company, and Sierra Rutile Limited (SRL), a rutile dredge-mining company, on community development in eastern and southern Sierra Leone, respectively. Its specific objectives are as follows:

1. To broaden understanding of the amount of power wielded by, and level of participation of, mining stakeholders in company-funded development projects, and the extent to which these dynamics have influenced community development.
2. To identify measures that are capable of facilitating tangible community development in mining areas.

The study draws on secondary data sources and feedback from interviews with key informants, including company authorities, community representatives and local government officials, and interviews with officials from development organizations. It is argued that CSR is not a panacea for addressing community development challenges in mining areas and that failure to manage unequal power relations amongst various actors in practical processes and methods, as well as adequate representation from all areas of the social structure in communities, present major challenges moving forward.

The remainder of the paper is organized as follows. Section 2 addresses the key debates on CSR and the extractive industries in developing countries. Section 3 presents a brief background on industrial-scale mining and CSR in Sierra Leone, as well as provides an overview of the study areas. Section 4 describes research methods. Section 5 presents and discusses research findings. Finally, conclusions from the study results are highlighted in Section 6.

2. CSR in the extractive industries in developing countries

The literature on CSR in the extractive industries in developing countries is replete with several concepts/themes (Aaron, 2012; Hilson, 2012). The main debates, however, center on 'the business case', 'a social license to operate', accountability, and community engagement. Focusing on these ideas, this section of the paper examines CSR, primarily in the mining industry in developing countries, and reflects on its impact on development in host communities.

The main message emanating from the burgeoning literature on the 'business case' is that high social and economic performance is good for profits; yet, it is unclear whether it results in meaningful community development (Utting, 2005; Hilson, 2012). Proponents of the business case maintain that a more responsible approach to environmental management, labor issues, and community development yields improved access to mining concessions and finances, better community and worker relations, an improved reputation, and therefore greater profits (Hamann, 2003; Humphreys, 2000). However, a number of studies have shown that corporate investments in communities affected by extractive industries result in corporate-controlled development rather than community-led development (Hilson, 2006; Maconachie and Hilson, 2013). Different layers of power within such communities may also undermine community development.

Others maintain that companies in the extractive industries have the power to initiate partial, superficial or public image-related changes which imply that they are accommodating social interests, even though their primary goal is profit-making (Hamann and Acutt, 2003; Utting, 2005). However, such actions may be at odds with meaningful community development, and can therefore significantly diminish their impact, developmentally, at the local level (Hamann, 2004).

A 'social license to operate' (SLO) has also been identified as another major strand of CSR in the extractive industries. As Owen

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