

**THE ASSESSMENT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) AND
SUSTAINABLE DEVELOPMENT OF ANGLOGOLD ASHANTI (GHANA)
A CASE STUDY OF THE OBUASI MUNICIPALITY**

BY

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DECLARATION

I hereby declare that this submission is my own work towards the Master of Business Administration (Finance Option) Degree and that, to the best of my knowledge, it contains no material previously published by another nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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DEDICATION

This critique is dedicated to my parents and family who encouraged me not to be content with my current status but rather to further my education in order to make way for more opportunities in the near future. God richly bless them for being a blessing onto me.

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LIST OF ABBREVIATIONS

AGA	AngloGold Ashanti
AGC	Ashanti Goldfields Company
ALRN	African Labour Research Network
BBC	British Broadcasting Corporation
CCC	Community Consultative Committee
CEO	Chief Executive Officer
CHAN	African Nation's Championship
CIA	Central Intelligence Agency
CMI	Case Management Inventory
CSR	Corporate Social Responsibility
DFID	Department for International Development
E. I.	Executive Instrument
ECG	Electricity Company of Ghana
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EPA	Environmental Protection Agency
ERP	Economic Recovery Programme
FM	Frequency Modulation
GDP	Gross Domestic Product
GIMPA	Ghana Institute of Management and Public Administration
GPRSI & II	Ghana Poverty Reduction Strategy I & II
GRI	Global Reporting Initiative
HIPC	Heavily Indebted poor Countries
IFC	International Finance Corporation
IRS	Indoor Residual Spraying
ISO	International Standard Organization
ITN	Insecticide Treated Net
KNUST	Kwame Nkrumah University of Science and Technology
KSB	KNUST School of Business
L. I.	Legislative Instrument

MCE	Metropolitan Chief Executive
MCE	Municipal Chief Executive
MDG	Millennium Development Goals
MINO	Ministry of Information and National Orientation
MMSD	Mining, Minerals and Sustainable Development
MNC	Multinational Companies
MTDP	Medium Term Development Framework
NGO's	Non-Governmental Organizations
OMA	Obuasi Municipal Assembly
OMCP	Obuasi Malaria Control Programme
OTA	Obuasi Taylors Association
SD	Sustainable Development
SPSS	Statistical Package for the Social Science
UG	University of Ghana
UN	United Nations
UNEP	United Nations Environment Programme
UNRISD	United Nations Research Institute for Social Development
USAID	United States Agency for International Development
USD	United States Dollars
WCED	World Commission on Environment and Development

ABSTRACT

The process of gold mining and extraction of minerals has been on going in the Obuasi municipality for almost a century, with the exception of the high rock accumulations found within the municipality and its polluted environment. The settlement has practically nothing to show for the large amounts of mineral deposit it sits on. The study explored AngloGold Ashanti's commitment to Corporate Social Responsibility and its impact on the lives of the local people. Questionnaires were administered to household members in four major communities within the Obuasi municipality where mining shafts belonging to the AngloGold Ashanti Company are located. Interviews were also held between the researcher and opinion leaders in the selected communities to gather their views on the issue. Though the AGA Company has increased its financial allocations towards CSR, impacts on the local people is very minimal as they are not involved in the design and implementation of the projects.

CHAPTER ONE

INTRODUCTION

1.0 BACKGROUND OF STUDY

Corporate entities the world over are now tuning up to their new role assigned them by the current generation, which is producing in a way so as to satisfy the desires of the present generation, not forgetting the needs of the forthcoming populations in mind. Production companies are being tasked to be responsible for the impacts their production has on the immediate environment. They are also being called upon to ensure sustainability by using clean and efficient means of production while taking actions to mitigate already existing impacts on both the natural and built environment.

Corporations are also expected to apply sustainability principles as they go about with their production processes. Sustainability refers to an entity's acts mainly regarded charitable that shows the involvement of the societal and environmental wellbeing of its dealings and connections with its interested parties. Corporate responsibility' refers to the procedure through which firms determine and willingly mitigate the detrimental consequences their dealings have on the community. From the perspective of the economy, this is denoted as 'containing their harmful externalities'. The idea of harmful externality denotes the adverse results of the activities of the economy that are not expected and quantified through the conditions of an agreement amid the organization and the affected society (Law, 2011).

Although Corporate Social Responsibility was extensively deliberated in the last forty years of the twentieth century, the concept that organization has societal commitments was apparent at least as early as the nineteenth century (Smith, 2003). He further mentioned that

in Britain idealistic corporate heads in the outcome of the Business Uprising constructed factory towns, such as Bourneville and Port Sunlight for the improvement of society and the employee's standard of living.

In recent years, concerns about Sustainability and Corporate Social Responsibility (CSR) of businesses have received a great amount of discussion in various countries and industries, particularly in the mining industry (Yakovleva, 2004). Since the process of mineral extraction has the ability to influence a wide range of ecological bodies, and are of importance to an extensive array of interested party groups, there is sufficient prospect for the business to function to a greater extent maintainable (Murch, 2001).

Explicitly, with enhanced preparation, application of healthy environmentally friendly authorization tools and immaculate expertise, prolonged societal obligation to interested party groups, the creation of sustainability conglomerates, and enhanced training; AngloGold Ashanti (AGA) can expand performance in both the environmental and socioeconomic grounds, and therefore augment immensely to its sustainable development.

The open pit and underground mining methods have been employed in Gold mining at Obuasi since 1897 with it contributing millions of gold ounces, which in turn have very detrimental effects on the environment and the local economy. For instance, the high degradation of the land quality has made it impossible for local farmers to grow oranges which were the main agricultural produce of Obuasi previously (Kokutse, 2008). Due to the unprofitability of the previously lucrative orange business, many farmers have now resorted to unlawful mining activity which is locally referred to as "Galamsey" in order to make ends meet. The AngloGold Ashanti in a bid to guide its mining concessions from the acts of

illegal miners has recruited security personnel. There are instances of confrontations between the illegal miners and these security guards which sometimes result in injuries and rare cases of fatalities from either party.

The intense use of chemicals in the operation of both small scale miners and the AngloGold Ashanti has resulted in the pollution of underground water source in the Obuasi municipality (OMA, 2012). Despite the large amount of revenue gathered from mining acts in the municipality by AGA, the Obuasi municipality continues to lag behind infrastructure wise. The road leading to Obuasi from Kumasi is in very terrible state, with majority of the residents accessing water and other essential facilities out of range. In the wake of all these negative impacts of the mining activity is the need for the mine to wake up to its social responsibilities to revert the situation through various CSR strategies so as to ensure sustainability.

Previous studies that have proven the implementation of CSR may go wrong if all stake holders are not involved in its formulation and implementation (Idemudia, 2007). For mining companies around the world to achieve sustainable development through CSR, there has to be complete stakeholder participation otherwise any plans made by mining corporations without beneficiary involvement may violate the society's beliefs and a total waste of resource. For CSR plan of action of mining companies to achieve sustainable development, there must be partnership with local community within which they function. Hence, if business entities just feel a sense of duty towards the community in which they operate and consequently offer assistances to that community without involving them

(community), what will happen is a development which is not publicly possessed and thus not maintainable.

In this contemporary era many mining industries have now seen the need to incorporate CSR in their company policies as it will in the long-run lead to sustainable development of the industries. Corporate Social Responsibility (CSR) is often defined mainly in terms of the social and environmental bearing of general organizational activity, this misses the point. To be appropriate and more relevant, CSR ought to be comprehended as *a procedure*, through which *persons'* ethical standards and interests are expressed and essential reasons for declaring that such a procedure ought to be collective, encompassing all interested parties (Maclagan, 2004).

1.1 PROBLEM STATEMENT

Gold with its generally high market value provides a significant basic activity in the national and local economy. The exploitation of Gold however bares a considerable impact on the locality which may be beneficial or regressive to development. The beneficial aspects which are its contribution to social and economic development are very essential. The extreme result of the degenerating effects of Gold mining and its effects on humanity is what is terrible. Mining pollutes and degrades the environment and consequently subject the lives of people living in the mining communities to threat. Mining viewed at from the economic perspective is an activity regarded to be very essential. Nevertheless, look at as an extractive activity, it is understood to have bearings probable to negate the suitable and orderly growth of mining societies. Regardless of the economic aids that mining amass to countries, familiarities of mining societies or areas all the way through the world and particularly

Ghana in the past are so depressing that Corporate Responsibility of the country's mining firms and their sustainability is worth considering. Like most ores elsewhere in Ghana, the Obuasi ores have significant sulphide mineralization, the oxidation of which leads to the generation of acidic waters and the mobilization of toxic heavy metals into water bodies. Waste disposal from the processing of underground sulphide ores which is rich in arsenic has led to severe water pollution problems in the area. AngloGold Ashanti just like other firms or mining companies praises itself with its CSR policies (AngloGold Ashanti, 2008). However, the local people will be in the best position to state as to whether the CSR policies of AngloGold Ashanti is participatory as stated in the Rio Pronouncement on environment and development; that environmental concerns are well deliberated through the participation of the people who are the direct stakeholders (Adams, 2001). The research will evaluate the result of AngloGold Ashanti's CSR on the lifestyle of the people of the Obuasi Township.

1.2 OBJECTIVES OF THE STUDY

The study's key objective is to assess the corporate social responsibilities of AngloGold Ashanti and to what extent the industry can achieve sustainable development of its corporate social responsibilities in the Obuasi municipality. The following are the definite objectives the study seeks to achieve.

1. To evaluate the effects of the mining activities on the livelihood of the people, with respect to health and the natural environment.
2. To determine how AngloGold Ashanti discharges its corporate social responsibility in the Obuasi Municipality.

3. To examine how and to what extent AngloGold Ashanti involve the mining communities in its corporate social responsibility policies.
4. To assess how AngloGold Ashanti can achieve sustainable development of its corporate social responsibilities in the Obuasi municipality.

1.3 RESEARCH QUESTIONS

The study therefore seeks to answer the following questions.

1. What have been the effects of AngloGold Ashanti's mining activities on the livelihood of the people, with respect to health and the natural environment?
2. In what ways does AngloGold Ashanti discharge its corporate social responsibilities in the Obuasi municipality?
3. How involved are the local people in the plan and execution of the corporate social responsibility policy of AngloGold Ashanti?
4. To what degree has the CSR policies of AngloGold Ashanti made development in the Obuasi municipality sustainable?

1.4 JUSTIFICATION OF THE STUDY

For some time now, Ghana has shown keen interest in developing the industrial sector of the economy particularly the mining sector. The economic benefits of mining activities to the country are immense but the negative environmental consequences of the activities of the mining firms are more often than not too much to bear.

Classical economists have come to establish that, with regulations the negative impacts of mining can be reduced. Despite efforts in this direction by the government, the problem still persists. In order to bring to the notice of policy makers and stakeholders capable of resolving the issue and the realities on the ground, the issues mentioned demands attention and can be achieved through researching on AngloGold Ashanti's corporate social responsibility and sustainable development.

This has consequently given the motivation to this study. In this study, the efforts of AngloGold Ashanti in internalizing its negative externalities would be assessed to ascertain projects' adequacy and relevance to improved standards of living of the mining communities and consequently the development of the national economy.

Furthermore, the study will provide information that will engineer further researches into the activities of mining firms and interventions that have been adopted to minimize the negative impacts of mining operations. This effort could be replicated in other districts where mining is a major economic activity.

Again, the study will also fill in the gap identified in existing literature with regards to corporate social responsibilities and sustainable development of mining communities worldwide. Also, the study could serve as a means for advocating for support from both government and non-governmental institutions. For instance, where more is expected from the mining firm than what has currently been done, the government can intervene to get things rightly done to ensure improved standards of living. Similarly, the research will also enhance the frame of academic knowledge and will again function as an orientation point for supplementary educational works.

1.5 SCOPE AND LIMITATIONS OF THE STUDY

Geographically, the study seeks to focus on Obuasi, the capital of the Obuasi Municipal Assembly (OMA) in the Ashanti Region of Ghana. The Obuasi town is situated in the South-western part of Ashanti region in Ghana. Contextually, the research emphasizes the assessment of corporate social responsibility and sustainable development of AngloGold Ashanti.

A few challenges were encountered when conducting the research that needs to be mentioned. There was limitation on the period for amassing information. A number of the respondents were in the remote parts of the communities while others were also in the vicinities. The insufficient time as well as resources made it very tough to reach a number of these individuals. The researcher was not familiar with the location of the respondents from the villages and therefore required support from the company to find them. Even though, the company assisted the researcher immensely in this regard, their being there exhibited a hindrance to receiving correct material from the respondents. In the course of one of the researcher's discussions with one of the tailors at the Obuasi Garment Project, the manager for community development was present and that impeded the interviewee from exposing the trials they encounter in the company. Such an encounter will have an influence on the manner the outcomes of the study are met. Conversely, in a similar matter, the researcher remained positive in communicating with other employees deprived of much meddling from the officials of AGA. The researcher would have desired to observe a Community Consultative Committee gathering to really tell what happens in the course of such gatherings. Due to time limitations this could not materialize. Last but not least, a number of the respondents from the rural communities remained reluctant to allow a meeting for the

reason that nothing (beneficial) emanates from such meetings. Some of the respondents in fact demanded money before they would allow a discussion. They were of the view that, such interviews are simply unproductive since they do not earn money out of it.

1.6 OUTLINE OF STUDY

The study is structured into five chapters. Chapter one looks at the background of the study, the problem statement, objectives of the study, the research questions, justification of the study as well as the scope and limitations of the study. Chapter Two focuses on review of literature on the small scale gold mining industry, the concept of environmental sustainability and the conceptual framework for the study. Chapter Three has to do with the research framework, sample size determination, sampling techniques, the study population, data sources, data collection instruments, variables, unit of analysis, and data processing. Chapter Four is on data definition, presentation and analysis. Finally the Chapter Five presents the summary of the key findings, conclusions and recommendations of the study.

CHAPTER TWO

REVIEW OF LITERATURE

2.0 INTRODUCTION

The process of mining for minerals is an ancient trade which has attracted many researchers to look at the processes as well as its effects on both the economy and the physical environment. Some of these researchers choose to enumerate the benefits of mining, while others looked at the stakeholder relationships in mining areas with others diversifying into several related areas. This chapter presents the theoretical underpinnings in the area of mining, CSR and its effectiveness in mining areas as well as the level of stakeholder participation in CSR projects. The chapter also reviews literature on the relationship between mining and economic development as well as its effect on the environment and health of the people residing in surrounding areas.

2.1 DEFINITION OF MINING

The term mining over the years has received different definitions depending on the outlook of the one making the definition. Mining is defined as the selective recovery of minerals and materials, other than recently formed organic materials from the crust of the earth (Encarta, 2005).

Mining has also been defined as the extraction of valuable minerals or other geological materials from the earth, usually (but not always) from an ore body, vein, or seam (coal). Materials recovered by mining include bauxite, coal, diamonds, iron, precious metals, lead, limestone, nickel, phosphate, rock salt, tin, uranium, and molybdenum. Any material that cannot be grown from agricultural processes must be mined. Mining in a wider sense can

also include extraction of petroleum, natural gas, and even water (Wikipedia, 2006). Mining as an activity has been ongoing in the Obuasi municipality for many years with the AngloGold Ashanti being the recognized company. There are also many small scale and sometimes illegal mining activities ongoing which are referred to by the local people as “Galamsey”

2.2 THE THEORIES OF CSR

According to Broomhill (2007), different people and organisations perceive the concept of CSR differently and it is noted to be “highly contextual in terms of corporate and national environment”. Some group of individuals suggests that CSR should be voluntary, with regards to businesses. These people believe that the main aim of establishing a business is to earn profit and to satisfy its shareholders and that the concept of CSR poses as an obstacle for the fulfillment of the primary goals of a business. Milton Friedman (1970), one of such neoliberal theorist is of the view that, the only aim of a business is to make profit and they therefore do not violate any rules when they engage in activities that helps them to increase profits since the business is not fraudulent. This brings about the fact that corporate bodies need to perform social responsibilities as regards the development of the lives of the people who are directly associated with their businesses. The CSR concept is again criticized by others who are of the view that it is not worth engaging in CSR because it is expensive (Idemudia, 2007). They assert that companies should not invest their money into areas that do not earn any returns to the company. Steinberg (2000 cited in Zamagni, 2006) argues that companies engage in “prostitution” when they invest resources to fulfill their social responsibility because they have deviated from their objective of profit maximization and

satisfaction of its stakeholders. However, all of these arguments are geared toward the gains of the company. This is a one sided argument since the external cost created by the company are not been considered. In this case, mining companies generate external costs that cannot be easily discounted.

The Neo-Keynesians on the other hand did not share the same view as the neoliberals. They acknowledge the fact that sometimes the operations of businesses can have a negative effect on the environment and thus on the occupants of that environment (Broomhill, 2007). They embrace the concept of CSR as a means by which firms can minimize certain negative impacts of their activities. In respect of this, another group of theorist, normally known as the political economists believes that this concept must be incorporated in the national and international codes of conduct or businesses. Their assertion is based on the fact that “global corporations are seen as possessing enormous power which is often wielded ruthlessly in their own self-interest and frequently at the expense of society and the environment” (Broomhill, 2007). The political economists strongly advocate that CRS should be mandatory since society is the potential victims of the activities of these powerful multinational and transnational companies.

Thus, businesses are under obligation to respond to the concerns of the inhabitants of the communities within which they operate and not only the interest of their shareholders and their responsibility towards obeying law and order (Utting, 2005). Hence, this study expects business organizations to be socially responsible while preserving the profitability of the corporation for the sake of stakeholders within and outside the activities of the business.

2.2.1 Defining Corporate Social Responsibility (CSR)

CSR can be defined narrowly as a company undertaking philanthropic gestures with part of its revenue or a company switching to more environmentally friendly means of production. In a broader context, the definition of CSR can be done through several approaches. It can be defined by the reductionist and the holistic approaches. The reductionist approach defines CSR to be good management practice which in turn causes a reduction in the profits of the organization. This approach to CSR sees it as a costly distraction which reduces the investment returns of the company's shareholders. This concept recognizes only shareholders as the real owners as such they alone should enjoy returns from investments.

The holistic approach to CSR defines it as form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active submission to the law, ethical standards, and international norms. In some models, a firm's enactment of CSR goes beyond compliance and engages in "actions that appear to further some social good, beyond the interests of the firm and that which is required by law" (Wood, 1991).

2.2.2 International and Local Impact of Corporate Social Responsibility

Mallen (2008) posits that, there is undoubtedly a growing pressure on businesses to play a role in social issues and in the community that they operate; a trend that is evolving both internationally and locally (Mallen, 2008). Even though this pressure is not likely to stay the same, it is more strongly to increase. The crave by individuals, NGOs, the government and the society at large to gain 'something' back from activities of companies in their communities is increasing. Companies at first used to perceive social responsibility only as

voluntary. In recent times however, social responsibilities have formed part of the corporate policies of many companies, especially multinational companies. They have embraced the concept saying that “it is simply good for our business” (Mensah, 2009). Undeniably, these companies consider their social responsibility as something important to be incorporated into their business objectives.

Though the concept of CSR has been in existence for some time now (Hopkins, 2004), it is not entirely accepted by everyone and also several others happen not to understand this concept. The commitment of resources of corporate bodies to resolve social development issues has been with us for quite some time now but not everybody supported this view or celebrated this concept. One of the world’s greatest economist, Milton Friedman was prominent among them. Friedman (1970) was of the opinion that corporate bodies should not interfere with social affairs; neither should they have any responsibility towards the community. As a resilient activist of capitalism and a critic of CSR (Idemudia, 2007), Friedman highlighted the need to ensure that corporate bodies’ managers use the monies and resources of businesses in a way that will be beneficial to the businesses and not otherwise (Friedman, 1970). For instance, he believes that the company will not gain any returns when resources are committed to reduce pollution as a ‘social responsibility’ of the firm and hence such actions should not be taken. Friedman (1970) referred to corporate responsibility in his book *Capitalism and Freedom* as a “fundamentally subversive doctrine”. This raises a concern as to why theorists like Friedman and his followers will term exercising of corporate responsibility of companies as dissident.

The increase in CSR has continued even though the argument made by Friedman was strong and seized a global attention. According to Idemudia (2007), the advocates of CSR arguing on the basis that, over the years the social cost of businesses has increased coupled with the fact that corporate bodies have gained much power and influence. In these contexts of market failures, it has become imperative for businesses to pay attention to social issues due to this rising vulnerability of society to the corporate entity. Again, the growth of governments' failure to fulfill their basic responsibilities to society and to appropriately manage business activities and the market structures of a free market society in order to avoid over exploitation, means that the acceptance of social responsibility by the corporate world has become very inevitable and important (Idemudia, 2007, Amalric & Hauser, 2005).

In most advanced countries presently, the debate has shifted from whether it is important for corporate bodies to assimilate the concept of CSR or not, to the extent to which "CSR principles can influence corporate decisions and practices and how business can best address its social responsibilities" (Idemudia, 2007). According to the United States Social Investment Forum, over \$US1 trillion in assets are been managed in the United States in socially and environmentally responsible portfolios (Hopkins, 2004). This indicates the growing commitment of corporations to contribute towards various facets of social development.

2.2.3 AngloGold Ashanti and CSR

AngloGold Ashanti, a multinational company with its administrative headquarters in Johannesburg, South Africa until April 2004 was a wholly owned Ghanaian company with

two operations in Ghana i.e. Obuasi in the Ashanti Region and Iduapriem in the Western Region (Ajavon, 2010).

Though the mine has been in existence for almost a century, the company opened a sustainable development department only in the year 2007. This finding puts the company's claim of being socially responsible towards its stakeholders including shareholders, employees, their families, the communities and the environment in which they are located, which is the Obuasi municipality to doubt and therefore places the onus on the researcher to prove the authenticity or otherwise of the companies claim.

Furthermore, data available lead to the fact that a project of the sustainable development department dubbed the Obuasi Malaria Control Program was able to cause a reduction of 75% in the incidence of malaria. According to the company, it places priority on ensuring an ecologically sound and sustainable living environment in its operational areas (AGA, 2008).

Also, according to the company, other priority areas is to keep and sustain the environment in which they work and make it remain ecologically sound and sustainable, provide employment and improve living standards of the people in the community. It hopes to ensure that "the communities in which they operate derive real social and economic benefits from their presence in that community" (AGA, 2008). Although, it would be "absurd and unnecessarily restrictive" to expect AGA to provide all the social development of the Obuasi municipality alone on its own, there is still a vast expectation from the company (Hopkins, 2004 as cited in Mensah, 2009).

2.3 ENVIRONMENTAL IMPACT

Mining is an economic activity that takes place in space, leaves certain impacts on the environment which creates serious health issues for the residents of the area. According to a study undertaken by Amasa (1975), as early as 1975, the areas and people within about 5 miles to a chimney which fumes arsenous oxide and sulfur oxides in Obuasi had high amounts of arsenic concentrations after their nails were analyzed for the poisonous element. Also, release of the poisonous gas in the environment had led to the barrenness of cocoa trees within the area.

Again, there is the frequent spillage of mining chemicals such as cyanide into surrounding rivers and water bodies, which serve as primary source of drinking water to residents of these areas. In the year 2010, the government of Ghana through the ministry of environment, science and technology fined the Newmont Ahafo mines a total of 7 billion Ghana cedis after investigations revealed the company's negligence led to the spillage of cyanide from one of its tailing dams into the Subri river, leading to the death of unsuspecting villagers who drank from the river (ghanaweb, 2011).

Blasting of rocks which is a part of the mining leads to the appearance of cracks on buildings in the neighborhood thereby reducing the structural life of these buildings leaving their owners with the high cost of structural maintenance. Also, the constant blasting that goes on at mining areas affects the health of residents and sometimes leading to the death of people close to the mining site (Karl, Kukla, Razuvayev, Changery, Quayle, Heim, ... & Fu, 1991). Whatever, the method of mining adopted, the community and the environment suffers some negative impacts? The African Labour Research Network (2005) provides a

summary of the environmental, economic and social effects of gold mining in mining communities such as:

- I. Water use and water pollution, often in water-scarce situations
- II. Energy-intensity. Where coal is the main source, as in South Africa, it has climate change knock-on effects
- III. Waste in huge volumes, some of it highly toxic
- IV. Surface disturbance of vegetation and failure to meet rehabilitation requirements
- V. Geological disturbance like sinkholes and seismic movements
- VI. The effects of acid mine drainage, including the liberating of heavy metals
- VII. The use of chemicals like mercury and cyanide contaminating water and the land
- VIII. Uranium and radioactivity coming from uranium in tailings and scrap metal contaminated by uranium plants
- IX. Dust leading to health problems like silicosis

2.3.1 Social-Economic Impact

The discovery of mineral in a particular area in most cases calls for celebration by the residents of an area which in most cases is rural. This is because the coming in of the mining company leads to the opening up of the area to many developmental projects such as the provision of roads and social amenities for the mining companies which trickle down to the benefit of the local residents. The joys of these people turn to sorrow years after the actual mining work has begun.

According to a study conducted by (Eyolf, Bréhima, Siri, & Ingrid, 2006) in the Sadiola mining area of Mali, the presence of the mining activity has rendered the local people who were farmers by profession jobless because the lands for farming had been taken over for the mine operations. This has made the people to rely on the mining firm for jobs. Though a two third of the mine workers are from the local area, poverty is still rampant because the population employed earn very little due to the unskilled nature of their jobs.

Also, the influx of migrant workers of different ethnicity to Sadiola has led to a decline in the respect paid traditional rulers in the area. The multi-ethnicity and influx of culture has led to a disregard of the local culture by the local people, the mining company on its part undermines the traditional and municipal authorities by disregarding them in the location and planning of developmental facilities.

On its part, the African Labour Research Network (2005) in addressing the socio economic impacts of mining lists them as shown below:

- I. Loss of sacred places of meeting or worship etc.
- II. Explosions in open cast mines which leads to cracking of walls in nearby houses and excessive noise levels.
- III. Environmental injustice where communities are the victims of mining through displacement, loss of land and livelihoods, political confrontations, contaminated ecosystems – especially with “indigenous communities” in remote areas.
- IV. Uneven gender impact, where women shoulder the burden of externalized costs through loss of natural resources, and stress on the social system, while excluded from most of the benefits.

- V. The legacy of more than a century and a failure of those who profited from mining to take responsibility for the present day consequences that communities live with around abandoned and “ownerless” mines.

2.3.2 Cultural and Other Impact of Mining

The culture of the indigenous people of a community is in most cases affected by the activities of mining companies. The existence of mining companies and the elimination of forest regions occasionally interfere with the rich culture of the occupants living in the community especially when they are in a way attached to the natural settings of that area being cleared. As was stated in the Agenda 21, chapter 26, “indigenous people and their communities have a historical relationship with their lands and are generally descendants of the original inhabitants of such lands”. In the same vein, any interference with a community’s natural settings can have an impact on their history and culture as a people. The document explained “lands” to comprise of the environment of the areas which the people concerned are traditionally occupants. Closely related to the issue of culture is the adverse effect of mining on the human rights of people living in the communities. Some people in Ghana have lost their homes, farm lands and other properties to mining companies without suitable compensation. After all, what compensation can be proportional to being evacuated from the land you have grown to love and be used to. Several conflicts have occurred as a result of relocation exercises which have resulted in the death of people in some cases. Furthermore, people who are seen as encroachers on the concession lands of mining companies have in most cases been severely dealt with to the extent of being shot and others sustaining severe injuries. In the author’s opinion, the human rights of these

people have been abused since they were accommodating enough to host these mining companies in their communities and that is the least treatment that they deserve. In support of a statement made by Case Management Inventory (CMI), the researcher believe that “a company that cannot operate without contributing to human rights violations should actually stay out” (CMI, 2007).

2.3.3 Controlling the Environmental Impacts of Gold Mining: The Role of Environmental Impact Assessment (EIA)

“Environmental Impact Assessment (EIA) is a process for taking account of the potential environmental consequences of a proposed action during the planning, design, decision making and implementation stages of that action” (Morrison-Saunders, 2004). The EIA process also takes into consideration the socio-economic impacts of such proposed course of action (United Nations Environment Programme, 2004). Mining companies in Ghana are required to produce Environmental Impact Assessments, the implementation of which the Environmental Protection Agency (EPA) is supposed to ensure. The AGA has signed up the UN Global Compact and ISO 14001 environmental certification scheme (Head of Environmental Department, AGA, 2009) which also requires that the company practices its mining activities in an environmentally sustainable way and thereby conduct an EIA before they embark on any mining activity in an area. However, the EPA has been very weak in ensuring that mining companies conduct EIA before undertaking their mining activities. Since the laws backing them are weak and the system of checks is porous, it becomes very difficult to punish defaulters of EIA initiatives.

2.4 THEORETICAL FRAMEWORK

The theoretical underpinning of this study shows a posture of development that is people centered or bottom to top kind of development. Sustainable development can only be achieved if CSR policy formulation and implementation involves the beneficiaries of such development. In developing countries, even though governments are continuously active in addressing the development needs of their citizens, “the promotion of social development issues must also be one of partnership between government and private and non-governmental actors and, in particular, the corporate sector” (Hopkins, 2004). In developing countries where governments are usually unaccountable and inefficient, CSR would offer itself as an alternative tool to bring about sustainable development.

According to a report by the St. James Ethic Centre, “Corporate responsibility is achieved when businesses adapts all of its practices to ensure that it operates in ways that meet, or exceed, the ethical, legal, commercial and public expectations that society has of business”. In other words, businesses must incorporate the policies of CSR in their daily operations and not leave it as something that the businesses choose to do at any time convenient. Unlike what was popularized by the World Commission on Environment and Development (WCED), the sustainable development concept does not comprise only the environment, but instead, it consist of activities that care for the needs of society and the people living in it thereof (WCED, 1987 cited in Murphy & Bendell, 1999). The scope of definition goes beyond just the natural environment but more importantly, it encompasses the social environment.

2.4.1 Mining and Sustainable Development

Sustainable Development and its concept has remained in existence for many years, it gained its greatest recognition through the Brundtland declaration. The governing body described sustainable development as “ability to make development sustainable - to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs”. The application of this explanation has edged several people to understand sustainable development as carrying a key emphasis on intergenerational fairness. Even though the short description does not openly comment on the environment or development, the following sections, which are hardly cited, are obvious.

On development, the information asserts that human desires are basic and important; that economic improvement but also fairness to segment wealth with the deprived is necessary to sustain them; and that fairness is supported by genuine citizen involvement. On the environment, the manuscript is also obvious. According to the sustainability reporting guideline, sustainable development as a concept implies limits, these limitations are not fixed though, and these limitations are imposed by the level of man’s technological know-how and the capacity of the physical environment to captivate the results of man’s activities (Global Reporting Initiative, 2000-2006). This statement implies sustainability benchmarks or standards are not written in rocks as such is changeable in the discovery of new technology which makes it feasible to manage certain issues which were previously considered unsustainable.

Furthermore, sustainability as a theme runs through the Millennium Development Goals of the United Nations. It can be found in the first, the third and the seventh goals which are about extermination of poverty and hunger, promotion of gender fairness, and the achievement of environmental sustainability in developing countries by the year 2015 respectively. This depicts that the sustainability of the economic, cultural and socio-economic environment, is key to development. In our world today, businesses are being requested to accept responsibility for the ways their activities impact societies and the natural environment. They are also being requested to put into use sustainability principles to the ways in which they administer their business. The issue in developing countries is there is no clear road map leading to the achievement of social, cultural and environmental sustainability. Corporate social responsibility is one device that can be tapped into to achieve development in developing countries around the world.

2.4.2 Definition of CSR and its Relation to Sustainable Development

There have been numerous descriptions of CSR that have been recorded and the tendency have remained that, businesses or organisations describe it in a manner that conforms their objective. Nevertheless, in accordance with the study, the researcher recognised two definitions which will be suitable for the intentions of the study work. The principal definition that the researcher discovers stimulating is by the International Finance Corporation (IFC) and they describe CSR as “the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve their lives in ways that are good for business and for development” (IFC, 2008). The researcher recognized the multi-interested party aspect

of CSR, ratifying that the plan of corporate bodies ought not to be distorted only in the direction of their shareholders.

As reported by Carroll (1999), “the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time”. This description places importance on the point that at any specific moment, the society is imagining businesses to be responsible in a manner that they ought to and by itself, as time and state of affairs varies, they presume businesses to also modify their obligation in the community’s direction. These definitions above will form the basis for my theoretical framework for the analysis of my data.

2.4.3 Partnership of the Corporate Community

A lot of societies have acknowledged in recent years that, it is no more an “if” but rather of “how” CSR can be applied, i.e. the subject matter at issue is no more if CSR should be applied but rather, how CSR can be resourcefully applied (Ruggie, 2008). Consequently, it has turned out to be imperative to analytically evaluate the methods through which CSR may possibly be applied in such a manner that can profit business entities and the society at large. Written matter, fictional and nonfictional as well as experimental proof has indicated that a partnership amid corporate bodies and the community where they function has been relatively profitable. Nonexistence of conglomerate together with insufficient meetings in the application of CSR policies may possibly have negative and unmaintainable effects on the community. To successfully apply CSR, one way is through a partnership amid business corporations and the community involved. This method once impressively done has the ability of safeguarding sustainability of projects and the community obtaining an atmosphere

of title of products prepared by the corporate entity. It is essential to acknowledge that the path to the carrying out of corporate-community partnership is not on a silver platter. Idemudia (2007) defines the bond as “fragile” and promotes for study of complications that frequently arise amongst the business entities and the community. In all, partnership can have a positive impact on improving sustainable development but it must be handled with much care.

CHAPTER THREE

METHODOLOGY

3.0 INTRODUCTION

The study's primary goal is to assess the effectiveness or otherwise of AngloGold Ashanti in the performance of its CSR and sustainable development in the Obuasi municipality. Most studies conducted on the congestion phenomenon gathered information using focus group discussions, interviews, observation and questionnaires. This chapter presents the background of the study area, population, sample and sampling procedure, instruments used in data collection and data analysis technique.

3.1 RESEARCH DESIGN

The research design used in this study is the case study approach. This case study approach was adopted in addressing the research objectives since the phenomenon under investigation is a contemporary one and the study is based on a real life situation. Also, the case study allows the use of multiple sources of evidence (triangulation approach), therefore enhancing the quality of data for the research as it permits the validation of one source of data by another source. According to Bryman (2004), a case study usually aims to “generate an intensive examination of a single case”, and then “engage in a theoretical analysis” in relation to this. Thus, the two actors involved in this case study are: the people of Obuasi and AngloGold Ashanti Company.

The approach was selected because it allowed for an accurate and vivid examination of the effectiveness of the company towards its CSR obligations, and how the sustainability of projects can be achieved, the approach allows for an in-depth study of situations in their

environment thereby allowing for greater insight than would have been achieved through literature. According to Nachmias (1992), the case study approach involves an observation of a single group or event at a single point in time, usually subsequent to some phenomenon that allegedly produced change, for instance a community, after the implementation of a project.

Again, the case study approach to research brings the investigator and the case being investigated into direct contact. This makes the researcher very acquainted with the circumstances of a case and helps to evaluate the reactions of a group or a community to questions and issues raised in the course of the investigation (Kumekpor, 2002). The case study method is an explanatory approach to research which makes it easy to ask and seek answers for the necessary “how”, “where”, “when” and “why” questions associated with the study. Also, the intimacy of fieldwork relationships accompanying case studies can be the greatest advantage (David and Sutton, 2004).

Furthermore, the case study approach becomes appropriate method to be employed for the study once the researcher has very little control over the phenomenon under investigation. However, it must be noted that the case study approach faces some challenges and among them are; investigator related shortcomings such as biases and poor judgment of issues, problems relating to the nature of the case study, especially, when the study has a security or political consequence. In addition, linguistic challenges can also have an effect on the outcome of a case study. Respondents’ unwillingness to cooperate may prevent the research from obtaining the required information for the study. Nevertheless, through adequate

preparation and proper planning towards the field work, these challenges and limitations were overcome by the researcher.

The qualitative approach to research was adopted because of the objective of the study which is to assess the corporate social responsibilities of AngloGold Ashanti and how the industry can achieve sustainable development of its corporate social responsibilities in the Obuasi municipality. Qualitative research methods are about exploratory studies to understand motivations and identify dimensions of problems in a society based on in-depth observations and analyses.

3.2 POPULATION OF THE STUDY

The population under this study consists of inhabitants of the Obuasi municipality. The Obuasi municipality is estimated to have a total population of 221,154 in 2008 according to the Ghana Statistical Service (2008) and it is part of the 21 districts in the Ashanti region. The town can be found in the Southwestern part of the country, precisely in the Ashanti region. Obuasi is a major town with the extraction of minerals which have been ongoing for over 100 years, the high heaps of rocks in certain parts of the municipality attest to this fact. The AngloGold Ashanti is the major company undertaking mining activities in its concessions within the municipality. Even though Obuasi is one of the towns blessed with precious mineral source, it does not have a lot to show for as far as development is concerned. Obuasi is an interesting community to be considered as a case study for this research because of the existence of gold mine in the municipality. This gold mine is owned by AngloGold Ashanti Limited and one would think that Obuasi would be counted among the most developed towns in Ghana but this has not been the case.

3.3 SAMPLE SIZE AND SAMPLING TECHNIQUE

The study employed the purposive, the snowball and the convenience sampling methods. Trochim (2006) defines purposive sampling method as a form of non-probability sampling method employed when a researcher has a motive for the selection of specific samples for interview. The snowball sampling method on the other hand, is a non-probability technique where existing study subjects recruit future subjects from among their acquaintances (Wikipedia, 2015). The snowball sampling aspect was applied to the research due to the fact that the researcher used the initial contact at the Department of Sustainable and Community Development of AGA to get to know, and get in touch with, other respondents who were relevant to the research. For instance, through the department, the researcher got to meet with people who were beneficiaries of projects done by the company.

The convenience sampling which is one of the main types of non-probability sampling methods made up of people who are easy to reach, was also employed in the selection of respondents during the household survey process, by this method; respondents who were readily available were selected for interviews. Here, the Assembly members and unit committee members of the study communities were also selected for the research. In all, the survey was able to collect the views of 60 household members together with the assembly members and unit committee members of the communities.

For the purpose of the study, seven major communities within the Obuasi Township were selected, as time and financial constraints limited access to all communities in the municipality. These communities are Anyinam (where the Kwasi Mensah Shaft is located), Obuasi central (the administrative center of the municipality and where the E.T Shaft and

some offices of the company are located), Gausu and its extension, Mampamhwe, Adaase, Ahansonyewodea and Abompekrom. The sampling used did not occur at a single goal, but it spread through the period of the data collection.

3.4 DATA COLLECTION

The data for the study was collected from two main sources: the primary and secondary sources. The primary data was collected from the field by the use of questionnaires and interview guides while the secondary data was obtained from related literature and other useful and relevant published materials.

As a means of giving empirically founded answers to the research questions of which factors influence the economic, social and environmental performance of a CSR committed mining company in Ghana and how the practice of CSR may improve the lives of the people in the community, the researcher conducted a qualitative case study with a little bit of quantitative data analysis. This offers the author the chance to acquire a deeper understanding of development from the community's point of view.

Silverman (2001) posits that, researchers who are interested in exploring the lives of people, histories or every day's behaviour must employ qualitative instead of quantitative research strategy. In addition to the flexibility that the former offers, it makes room for researchers to actually appreciate the erratic nature of society and the dynamic characteristics of the human behaviour.

3.4.1 Questionnaires and Interviews

The researcher (guided by an interview guide) used semi-structured interviews and adopted both closed-ended and open-ended questions. Closed-ended interviews are easily analyzed, more specific and take less time from the interviewer, the participant and the researcher, and so a less expensive survey method. An open-ended interview on the other hand means that the interviewees can freely respond to the questions (Kvale, 2001 as cited in Tobiassen, 2007). Thus, a questionnaire was designed using the study objectives as a guide for the collection of primary or field data. A mock survey was conducted using peers of the researcher to verify the effectiveness of the instrument. The researcher found this method to be suitable, as the aim is to acquire more information about the perceptions of people as far as their personal development and the development of the community is concerned. The author put all the responses of the interviews into writing and also recorded some of the interviews with the community. Most of the interviews held were not recorded simply because it would have made several interviewees feel uneasy, and hence that the most extensive and reliable information would be acquired without recording. The duration for the interviews were from 30 minutes to 2 hours, but with the majority in the 45-55 minutes range. Some of the workers of AngloGold Ashanti were also interviewed by the researcher as well as some top management personnel. None of these interviews were recorded as a means of ensuring the comfortability and confidentiality of the workers.

Data collection for the study was carried out between 1st May, 2014 and 31st July, 2014. The researcher began by interviewing some of the management officials of the company and also gathering some important documents for analysis of the study. The researcher later identified the communities to work with, which have been stated above. In each community,

ten people were interviewed by the researcher. Along the line, the researcher contacted the Obuasi Municipal Assembly (OMA), which is the local governing body for the Obuasi municipality. At the office, the researcher interviewed one worker who was designated by the Municipal Chief Executive (MCE) of the Municipality, for statistical and other information. The researcher also conducted a document analysis at this office. Some workers of AGA including senior staff and junior staff were as well interviewed by the researcher. The senior staffs were mainly the workers in the high income bracket, with the junior staff being in the low income bracket. This kind of sampling procedure helps to attain a fair representation from the workers and also obtains different views. The researcher interviewed some members of the Community Consultative Committee (CCC) set up by the AGA. The CCC serves as an intermediary between the company and the community as far as the concerns of the communities and the social responsibilities of the company are concerned.

3.4.2 Observation

Apart from the interviews conducted, the researcher made close observation of the lifestyle and development level of the people in the community and some of these observations are shown in pictures under the empirical findings. The perception and thinking of the interviewees and those the researcher observed are very significant to this research and they serve as the main source of data.

3.5 DATA ANALYSIS

The analysis of data collected is the art of making meaning of the data. The data collected was analysed with the help of the software “Statistical Package for Social Science (SPSS)” which converts the responses to the individual questions into tables, with the views in percentages. With this, the responses with the highest frequencies were considered the general view of the respondents.

3.6 RELIABILITY AND VALIDITY OF DATA

The subject of reliability and validity in qualitative research are flexible compared to that of quantitative research. Reliability and validity of the thesis comes from the fact that this study seeks to identify the importance of more informal relations, it is the use of people’s perceptions as the main data, which is deemed to best ensure the validity of the study. Further, the core means of achieving both reliability and validity in the study has been the gathering of many different perspectives, which can be held up against each other. Also, concretely, the assurance of the reliability of the data was sought by crosschecking factual information/stories by asking several interviewees about the same concrete incidents/affairs. A validity problem may lie in the fact that some of the interviewees were bias in expressing their perceptions. This occurred in some few places like Adaase but in particular at Gausu extension, as a result of the presence of one of the managers of the company during an interview with them in that community. The manager’s help in showing the researcher directions to the locations of the interviewees was more or less necessary, but it also proved impracticable to resist his insistence upon his own presence during some of the interviews particularly the one at Gausu extension.

3.7 PROFILE OF THE STUDY AREA

The Obuasi municipality is one of the 30 districts of the Ashanti Region and was created as part of the government's effort to further decentralized governance. It was carved out of the erstwhile Adansi West District Assembly on the strength of executive instruments (E. I.) 15 of December, 2003 and Legislative Instrument L. I. 1795 of 17th March, 2007. The municipality is located at the southern part of Ashanti region between latitude 5.35N and 5.65N and longitude 6.35N and 6.90N. It covers a land area of 162.4sqkm. There are 53 communities in the municipality which share 30 electoral areas. Amongst the 53 communities include Sansu, Odumase, Dunkwa Junction, Gauso, Pomposo, Nyameso and Ahansonyewodea. The Obuasi municipality is bounded to the east by Adansi South, west by Amansie Central, north by Adansi North and to the south by Upper Denkyira district in the Eastern Region (Ghana districts, 2006). It has Obuasi as its administrative capital where the famous and rich Obuasi gold mines, now AngloGold Ashanti is located.

The vegetation is predominantly a degraded and semi-deciduous forest. The forest consists of limited species of hard wood which are harvested as lumber. The Municipality has nice scenery due to the hilly nature of the environment. The Municipality has a rather undulating topography and the climate is of the semi-equatorial type with a double rainfall regime. Mean annual rainfall ranges between 125mm and 175mm. Mean average annual temperature is 25.5OC and relative humidity is 75% - 80% in the wet season (Ghanadistricts, 2006).

The 2010 Population and Housing Census puts Obuasi's population at 168,641 and a growth rate of 4% per annum; it is projected to be 195,624 in 2014. Obuasi is made up of 52% male and 48% female. Obuasi's growth rate is relatively higher than that of the Ashanti Region

(3.2%) and Ghana (2.7%) as a whole because of the presence of mining activity which has attracted a lot of immigrant labour to the area.

AngloGold Ashanti is a multinational company and a leading global gold producer of gold. The company's headquarters is located in Johannesburg in South Africa, and it has affiliates in Tanzania, Brazil, Australia, Argentina, Colombia, Guinea, Mali, Namibia, United States of America and Ghana. It is involved in metals and mining different kinds of mineral resources all over the world (AngloGold Ashanti, 2007). In Ghana, it is the mining company that handles the country's largest mining site. AngloGold Ashanti has two operations in Ghana; the first operation is in Obuasi in the Ashanti region and the second in Iduapriem in the Western region of Ghana (AngloGold Ashanti, 2007). The Obuasi site is the largest gold mining site of Ghana and it is located in the Adansi West district of the Ashanti region of Ghana. Formerly, the Obuasi operations were assets of a Ghanaian based company, Ashanti Goldfields, but ownership was transferred to AngloGold Ashanti in 2004 and they started operations in that same year (AngloGold Ashanti, 2007). However, operations in Iduapriem were started in 2007 by the company.

The company is structured into six main divisions; mining, processing, human resource management, engineering, mining resources management and sustainable development divisions. Each of these divisions is headed by a senior manager. The divisions are further divided into departments which are also headed by managers. Under the departments, there are various sections, headed by superintendents. As a result of my area of interest, I will be mostly dealing with the sustainability division and specifically the community and social development, and the environmental services departments.

This chapter is the basis of the whole research work and only when it's properly done that the research work shall be able to make any realistic recommendations to aid the development of the human society. The next chapter shall present data from the research study together with the analysis of the data gathered.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 INTRODUCTION

The preceding chapter explained how data would be collected for the research purpose; it further gave a brief introduction to the Obuasi municipality, the area of study. Further in the chapter, seven communities were selected within the study area for the survey process, which are; Anyinam, Obuasi central, Gausu and its extension, Mampamhwe, Adaase, Ahansonyewodea and Abompekrom. Two out of the seven communities have mining shafts operated by the AngloGold Ashanti. The objective of this chapter is to present a detailed discussion of the results of the survey, characteristics of respondents as well as general responses gathered.

Thus, the chapter presents the empirical findings gathered from the field. The rationale is to verify empirically the examination of corporate social responsibility and sustainable development of AngloGold Ashanti. The findings of this study are presented in relation to the research questions. The mode of data collection for the study was mainly interview and observation of the respondents. Also, the study analysed some documents from the organisation which were relevant to the research. Data for the study was collected within a period of thirteen weeks.

4.1 CHARACTERISTICS OF RESPONDENTS AT THE HOUSEHOLD LEVEL

This section presents the characteristics of the various respondents interviewed at the household level. The parameters here are the age, level of education, length or duration of stay in the community among others.

4.1.1 Age of Respondents

As part of the survey, the ages of all respondents at the household level was collected. **Table 1** shows the age distribution of the respondents. From **Table 1** below, majority of the respondents were aged between 26-36 years representing 45 percent. This implies respondents are old enough to make meaningful contribution to the CSR policies if given the chance to participate as they can assess the impacts of decisions on their economic and social lifestyle.

Table 1: Age of Respondents

Age (Years)	Frequency	Percentage (%)
18-25	4	6.6
26-36	27	45.0
37-47	19	31.7
58 and above	10	16.7
Total	60	100.0

Source: Field Survey, 2014

4.1.2 Highest Level of Educational Attainment

A person or group of persons' level of education determines the rate and level at which they can participate in any decision making process. The less educated is sometimes limited by the technicality of issues and sometimes inferiority complexes thereby limiting his/her ability to participate in decision making process. As shown in **Figure 1 below**, the people of Obuasi are fairly educated and as such making it possible for them to make meaningful contributions to the project planning and implementations in line with the CSR objectives of AngloGold Ashanti. From the survey, 40 percent of the population had attained education to

the Senior Secondary level, with 30 percent to the Tertiary level. 10 percent of the population terminated their education at the Basic level with 20 percent of the population being illiterate. The population of Obuasi municipality is highly educated because more than half of the population had undergone formal education and as such have the ability to read and write.

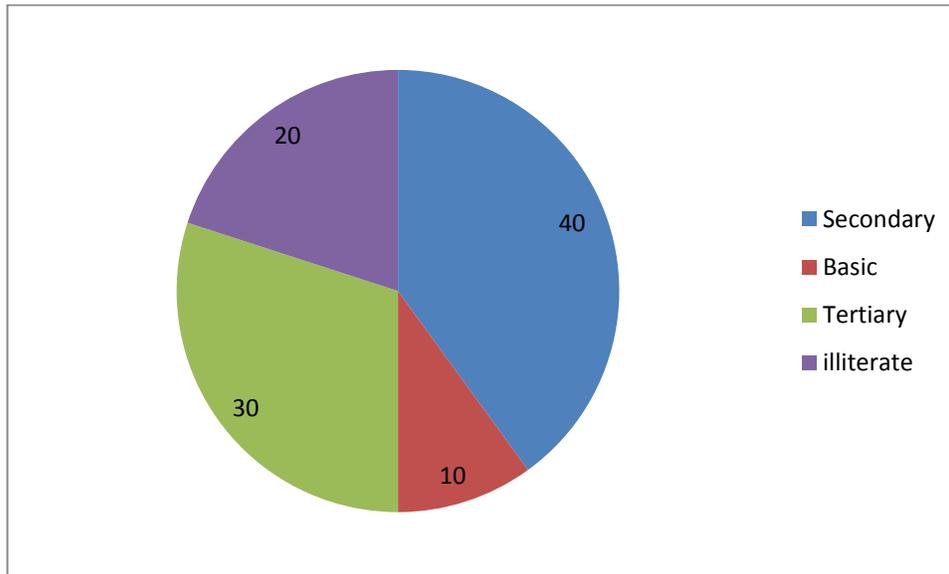


Figure 1: Highest Level of Educational Attainment of Respondents

4.1.3 Residential Status

The survey also checked the residential status of respondents to determine whether they were immigrants or natives of the Obuasi municipality and also tried to find respondents' duration of stay in the municipality. This was done to ensure respondents had been in the study area long enough to be abreast with the activities of the AngloGold Ashanti. A total of about 53 percent of respondents were immigrants while 47 percent were native people. The high presence of immigrants is due to the presence of natural resources and employment

opportunities in the municipality. The average person had lived in the Obuasi municipality for a period of 5.8 years which implied they were familiar to the CSR activities of the AngloGold Ashanti.

4.2 EFFECT OF MINING ACTIVITIES ON THE LIVELIHOOD OF THE PEOPLE

Several environmental and health challenges that affect the livelihood of the people emanate from mining activities. These challenges come as a result of the processes as well as methods of gold extraction.

4.2.1 Environmental Effects of Mining Activities

The responses gathered from the various communities indicated that the most of activities of the mining company have had negative impacts on their environment. From the survey, those who have stayed relatively longer period within the mining area gave a hundred percent confirmation that mining methods affect the environment compared to those who have stayed for relatively shorter period where few of them responded ‘no’ to the question. Many of the respondents even though attested to the fact that the company has environmental responsibilities towards them claimed that these responsibilities have been neglected by the company. According to the respondents, mining activities have resulted in land degradation leading to limited land available for local food production and other agricultural purposes in the Obuasi municipality. Also, there is pollution which has affected mainly water resources in the area with major streams like Akapori, Kwabrafo, Pompo, San and Nyam being polluted. “Our streams which serve as the main source of drinking water for us have been heavily polluted with chemicals and they tell us not to drink it because it is

poisonous. However, we are left with very little choice because the two boreholes constructed by AGC is no longer functioning and these new people, they have not provided us one yet” and at the moment that is one of the major difficulties facing the Adaase village. In addition, air and noise pollution are also rampant in the communities.

4.2.2 Health Effects of Mining Activities

The environmental effects of mining activities have resulted into health problems. From the survey, the respondents confirmed that mining activities has increased the prevalence of diseases such as malaria, skin diseases and respiratory infections. The occupants of Adaase for instance attested to the fact that one of the mines pit which has been changed into a fish pond has increased the rate of mosquito breeding in the community. Notwithstanding the fact that the community enjoys the OMCP, the mosquitoes are not killed by the IRS. It only serves as a reductive measure for malaria transmission and thus their existence in large numbers in the community is sometimes a huge nuisance to them. The outcomes of the research also showed that distance from active mine site is a contributory factor to the health challenges of residents in the communities.

4.3 DISCHARGING OF AGA’S CORPORATE SOCIAL RESPONSIBILITY POLICY

Corporate Social Responsibility has been informal before and even few years after the mine was been taken over. AngloGold Ashanti did not consider CSR as part of its policies until 2007. The company only donated when the community asked for it and the company thought it was necessary to grant such a request. AGA however in 2007 incorporated a

structured CSR policy into their main stream corporate policies. As a result, a community and social development department under the sustainability division was created. This office complex of the department is located in the company's main administration premises.

The department of community and social development aims at creating an atmosphere for which social issues can be addressed and to provide the community the opportunity to directly deal with the mining company as far as their social issues are concerned. It can therefore be said that the community and social development department under the sustainability division is responsible for issues pertaining to CSR at the AGA. Community grievances and request are brought to the department which serves as an intermediary between the company and people. These grievance and request are therefore presented to the company for discussion and approval. Meeting are also held between the company and the community elders in order to deliberate on social issues affecting the community. Nonetheless, the question that needs to be answered is whether these meetings are enough to address the community's social, environmental and other pressing issues? The answer to this question to a large extent is no based on my observations in the field.

It was confirmed from the field survey that the meetings between the company and the community elders are mostly not a good representation of the inhabitants of the community. Also, the people of the various communities are not being able to make known their views on certain actions and inactions of the company that poses as hazard to them because they feel threatened by some earlier violent encounters with the company. Furthermore, as a result of some fruitless outcomes from previous meetings, some community representatives sometimes feel reluctant to continue attending further meetings with the company. One of

the respondents who is a farmer lamented, *what is the point in attending meetings if 'nothing' seems to come out of such meetings? It is simply a waste of my precious time.* Again, the chiefs and traditional leaders in some cases act in favour of the company instead of representing their people in order to achieve their selfish interests. These leaders of the community act as mouth piece of the company probably because their personal lives have been made better by the company. Hence, they either turn out to be lame ducks or backers for the company instead of a mouth piece for their people.

4.3.1 Corporate Social Responsibility Projects

Response to this particular question varied according to community visited. At Anyinam, household members were very appreciative of AGA's efforts at ensuring the social and economic development of the community. According to them AngloGold Ashanti pays all electricity bills of all houses in the community which costs the company between 120,000.00 - 200,000.00 Ghana cedis per month, each house only has to contribute an amount of 50 Ghana pesewas monthly to be used for maintenance purposes. The company also foots the water bills of all dwellers in the community. It was also discovered that the company dug four boreholes to provide water for areas without pipe borne water access at the cost of 60,000 Ghana cedis each. The company as part of its CSR has built a clinic for the community which provides first aid treatment to members of the community who are registered with the National Health Insurance Scheme. They also mentioned the company is sponsoring the construction of a bio-gas project and 2 new public toilets which is estimated to cost about 250,000 Ghana cedis.



Figure 2: The AGA Clinic Located at Anyinam



Figure 3: The Depleted Toilet Facility Replaced by AngloGold Ashanti at Anyinam

Responses from the other study communities (i.e. Abompekrom, Gausu and Obuasi central) were different from that of Anyinam as household members interviewed were not familiar with any development activities directly implemented by the AngloGold Ashanti in their respective communities. According to them the AngloGold Ashanti pays royalty fees to the Obuasi Municipal Authority which in turn provides infrastructural and other social

developments within the community. Some respondents in these communities however stated that, some members of their communities had been beneficiaries of AngloGold Ashanti's scholarship policy in recent years. They further stated that, the company provides them with rocks and chippings for construction purposes mostly at no costs.

4.3.2 Control of Malaria in the Obuasi Municipality

The AGA Company has introduced the Obuasi Malaria Control Programme (OMCP) as a means of targeting some of the social issues affecting the Obuasi municipality. This malaria control initiative arose as a result of the complaints made by the people of the municipality about the high prevalence rate of malaria. The former CEO of the company, Bobby Godsell strongly supported the OMCP. The AGA Company decided to embark on the malaria-prevention programme to reduce the malaria cases in the area after a successive deliberation by the company. According to the then programme's manager, Mr. S. O. Danso, the programme commenced in April 2006 and was formally inaugurated by the then President of Ghana, His Excellency John Agyekum Kuffour. The objective of the programme was to achieve a 50% reduction in malaria prevalence in the Obuasi municipality. According to statistics by hospitals and clinics in Obuasi, over six thousand cases of malaria were recorded out of the total of twelve thousand cases reported at the various hospitals in 2005. The Obuasi Malaria Control Programme (OMCP) was an integrated programme which employed numerous malaria control and prevention methods. With reference to a document that was prepared prior to the implementation of the OMCP revealed the following as the methods adopted in the programme: Vector Control - Indoor Residual Spraying (IRS), Distribution of Insecticide Treated Nets (ITN's), Larvicide of breeding areas (water bodies),

Environmental Management (screening), Surveillance, monitoring & research, Information, Education, Communication (community), Life style changes, Advocate use of Repellants (night shift workers) and Early, effective diagnosis & treatment.

According to the programme's manager, the programme entirely revolved round the internal residual programme, and he explained this as the spraying of walls in every home in the Obuasi municipality, with the intention of destroying the mosquitoes that spread the malaria parasite. The IRS takes place every six months. The first exercise took place in February 2008 while the second one happened in July, 2008. The effectiveness of the insecticide last for 5 months. The IRS programme provided people in the municipalities with temporal employment opportunities since it was a labour intensive programme. Nevertheless, how sustainable were these employments and what were these people to do once there was no job for them to do? Again, one difficulty about the provision of this employment was the challenge in identifying the true inhabitants of the Obuasi municipality as of that time. The people might have been strangers from other communities and gained such jobs thereby denying the occupants of the Obuasi community from enjoying such social benefits from the company.

The AGA Company spent about 1,874,991.00 Ghana cedis which was equivalent to USD 1,874,991.00 in support of the OMCP programme. According to the OMCP programme's manager, the AGA company took care of the entire cost of the programme. The huge amount spent on the OMCP brought in the issue of sustainability of the programme. This issue of sustainability was raised looking at for instance the IRS malaria control method which was very expensive but only reduced the number of malaria parasites without killing

the mosquitoes. Meanwhile, malaria eradication was a priority to the Obuasi municipality as it was for the AGA Company. However, the people feared that the OMCP programme would not stay for long to help eradicate malaria in the municipality simply because the mine could be closed down in the near future. Though, it is worth mentioning that the OMCP programme was nominated as a principal recipient of a global fund for the next five years as of that time. The fund was for the extension of the programme's implementation to 40 districts in Ghana within the next five years. This was to help eradicate malaria in Ghana. The programme started in the second quarter of 2009 and the targeted areas the programme could reach were mainly non-urban communities.

There were some challenges associated with the implementation of the programme. Some of the residents refused to allow sprayers to enter into their private properties especially their bedrooms. This incidence was as a result of fear of theft and also strangers not been allowed access into people's bedrooms as part of our culture in Ghana. However, some of these occurrences were minimal through prior education of the residents and reassurance that the sprayers had been screened by the police. The second challenge was that the residents felt uncomfortable with the strong odor that came along with the spraying exercise. According to some residents, this strong scent could stay for a month which made them stay outside their rooms even at the night in worse cases. *Remaining in our own rooms now became inconvenient and we had to stay outside most of the time*, lamented one of the residents. Some people also complained that the spray damaged their painting and had to pay extra money to repaint their rooms.

According to the municipal hospital statistics, the OMCP has been able to achieve 75% reduction in malaria incidence in the Obuasi municipality. Eradication of malaria in the Obuasi municipality has been the objective of the OMCP and can therefore commend the company for a potentially successful programme. This serves as an advantage also to the company since worker would not go on sick leave and can therefore increase productivity with their continuous punctuality at work. Quoting from the AGA Report to Society 2004: “... Malaria remains the most significant Public Health threat to AngloGold Ashanti operations in Ghana, Mali, Guinea and Tanzania...” The importance of malaria prevention and reduction to the company, thus, cannot be overemphasized.

The programme was of much benefit to the municipality as it created employment for most of the youth where they were able to earn substantial income (for instance the sprayers earned a salary of USD227). Due to this, even though some of the jobs were temporal, most of the people who were into small scale mining, otherwise known as ‘galamsey’ had other means of earning a living. The OMCP employed a total of 120 workers who performed various duties including spraying, supervising and administration staff according to the programme’s manager.

Mr. Aboagye Ohene-Adu, Head of the Community and Social Development Department again testified to the fact that the programme has been helpful to the company since small scale miners were detrimental to the company. Some of the company’s assets are sometimes damaged by these small scale miners. For instance about seven years ago, they caused a fire outbreak in one of the company’s plants which cost the company and the Electricity Company of Ghana (ECG) a total sum of six million US Dollars. Sometimes,

they tampered with the dams (of waste chemicals) and these can cause some hazards including flooding of farms and lands. Since they were usually illiterates and may not have any special skill, the company might not be able to absorb them into their mainstream employment. These ‘galamsey’ workers could not possibly be blamed for their ‘illegal’ activities when their source of livelihood and income had been taken away and they had to survive? Unfortunately, even though the ‘galamsey’ work was risky, it was their only means of survival then.

4.3.3 Creation of Employment for the Local People: Piggery Project

As part of their social responsibility, the AGA Company has undertaken some project that will generate earning in the municipality. One of these projects is the piggery project. The company’s aim for embarking on the piggery project about six years ago was to serve as meat for domestic and commercial purposes. This project was expected to be an industry where the meat could be processed into bacon, sausages, etc. The project took off in only three communities (Adaase, Ahansonyewodea and Mampamhwe) as it was then a pilot project with three families from each community. The business services department of the AGA Company facilitated the project. My interview with beneficiaries from the Adaase community, I found out that during the piloting of project the first beneficiary, Mr. Kofi Twumasi had 1 wife and 4 children, the second person Mr. Opoku Prempeh had 2 wives and 8 children and the last beneficiary Mr. Obiri Yeboah also had 1 wife and 3 children. The families of all these beneficiaries depended on them, and even though they had other income sources i.e. corn farm, vegetable farm, etc., their income was still not enough to cater for their families. According to these men, they had the opportunity to work with their families

in their farms from time to time. Most of them had their children in primary and junior high schools and only one, Mr. Opoku Prempeh had a child in the polytechnic. Most of their children were in primary and junior high school. As a way of feeding their animals, the children and sometimes the wives of the farmers ask for peels of cassava and plantain from the homes of people in the community to be given to the animals.

The company provided three grown pigs (one bull and two females) to the beneficiaries and fed them for the first one month. The beneficiary families underwent two weeks training facilitated by the company's pig farm before they were handed over the pigs. The cost of transportation, per diem, feeding and cost of training were taken care of by the company. The then head of business department attested to the fact that these beneficiary families were also provided with well-constructed pens to house the pigs. They were to rear the pig until they were fully grown for domestic and commercial consumption. In order to sustain the project in the village, once the female pigs gave birth, the beneficiaries were expected to donate three piglets to other families in the village. This was also done to make the piggery farms widespread in the communities.

Even though the advantages of the piggery project were acknowledged by the beneficiaries, some concerns were raised by them. Some of them complained that they were not contacted before the initiative took place. As a result, some of the beneficiary families faced some challenges feeding the animals after the first one month feed by the company. These families could not afford to buy special feed for the pigs as the company had been doing because they were poor. The local feed that they gave the animals were also a bit expensive for them and they were sometimes forced to give them cheap and non-quality feed; which did not

make them grow well. Some beneficiaries who did not have any permanent source of income found it very difficult to provide pig feed for the animals while waiting for the pigs to reproduce and also generate revenue from their sales. The company claimed that they would market the pigs; according to the interviewee however, the outbreak of the swine flu posed sustainability challenges for the project. It was reported as at the time that the demand for pork in the country had decreased due to the announcement of the outbreak of the swine flu disease in the print and electronic media, including national television and radio.

4.3.4 The Garment Project

The Garment Project was established in 2008 in a town called Gausu extension in the Obuasi municipality. The main aim of the garment project is to sew overalls locally for the company instead of importing them from outside the country. Two parties are the sole owners of the garment project. A private person who is also a chief owns 95% while the remaining 5% is owned by the Obuasi Taylors Association (OTA). Machines and other equipment needed in the production process are provided by the chief while the Obusai Taylors Association provides employment for the people. The AGA Company and other mining companies purchase all the overalls that the company makes and therefore has no challenges as far as marketing of their products are concerned. In some cases, the garment sewers are contracted to sew company shirts for some mining companies. The garment project has been designed not to be dependent on the company. Therefore, the project has the potential of survival even after the close of the Obuasi mine.

The garment company however faces some challenges. According to one of the workers, Mr. Osei, the materials used in sewing the overalls as well as the machines are imported from outside the country for instance South Africa and China. In some cases, there are delays in the delivery of the sewing materials which ends up decreasing their productivity. Also, the importation of sewing materials result in a high cost of production and this situation is degenerated by the fact that AGA sometimes offers them low prices, thereby reducing their profit margin. Again, the continuous importation of sewing materials leads to balance of payment deficit as far as the Ghanaian economy is concerned. Though the garment industry was purposely established to provide employment for the people of the Obuasi metropolis and not been dependent on the AGA Company, the sale of the finished products are dependent on the company. This means that the survival of the garment company depends on how long the mine lasts. Even though, they eventually want to extend their services to providing other forms of clothing to individuals and other companies, it is not going to be done in the foreseeable future. How could one say that such a project is sustainable?

4.3.5 Other Corporate Social Responsibility Projects

The AGA Company has undertaken other projects as part of their CSR that are worth mentioning. As a result of time and financial constraint, I could not review the projects in my study. However, I got to hear about them through my interaction with the Head of the Community and Social Development Department of the company. The company has started an aquaculture project in the municipality. This project has been of immense benefit to the people of Obuasi as it has provided them with employment opportunities. Again, granite and

waste ore are provided by the company to the communities to be used in projects like construction of schools, churches, markets, public toilets, etc. Also, the company occasionally collaborates with the Obuasi Municipal Assembly to embark on a clean-up exercise in the municipality. This clean-up initiative is fully funded by the AGA Company and the exercise helps reduce the filth which are the likely causes of disease in the municipality.

From my interview with the respondents who are workers of the company, they attested to the fact that the company offers them comfortable working conditions, salaries and benefits. According to them, the company provides scholarships for the wards of both the junior and senior staff from kindergarten through to tertiary education. Each worker of the company is also provided free utilities, recreational facilities as well as medical care. Villages like Sansu and Anyinam were provided with free electricity. The two communities are among the communities that suffer greatly from the activities of the mining company and thus have been provided free utilities without paying anything. One of the people lamented, the company makes us suffer environmental and social hazard and therefore providing us with free utilities is just a small compensation to them. “The water being provided as free is contaminated with chemicals, their land is destroyed and their air is heavily polluted. Why should they smile just because of free utilities?” after all when there is a close down of the mine, they would have to adjust to living in the hazardous environment caused by the company. There would not be any one to make available to them such free utilities and therefore needs to benefit from them now. Though the mine is still in existence, the changeover from AGC to AGA has created a lot of inconveniences on the part of some workers. Workers who had to proceed on early leave could not make anything out of their

pension benefits because it was not able to sustain them for long. One of such ex-workers claimed that, “it has been hard to hold anyone accountable for our plight because we were employed by AGC which is no longer in charge of the company and we are already having a feel of what our situation will be like when the mine is no longer in operation”.

4.3.6 Corporate Social Responsibility Expenditure Analysis of AngloGold Ashanti

Data gathered from the community and social development department of the AngloGold Ashanti showed specifically AGA’s expenditure towards its CSRs.

Table 2: CSR expenditure of AGA for the period 2004 – 2013

CSR – Community Social Investment Spend – 2004 to 2013

SPEND CATEGORY /YEAR	COMMUNITY HEALTH	SOCIAL INFRASTRUCTURE	EDUCATION, YOUTH & SPORTS	ART, CULTURE & HERITAGE	TOTAL (US\$)
2004	3,000,000	285,127	170,668	761	3,456,556
2005	426,000	230,910	2,881	3,042	662,833
2006	1,464,000	276,041	2,935	8,035	1,751,011
2007	1,649,000	273,617	21,958	9,891	1,954,466
2008	1,399,153	730,664	23,005	20,861	2,173,683
2009	1,713,362	545,453	14,934	20,780	2,294,529
2010	1,505,057	568,786	55,988	77,867	2,207,698
2011	1,814,482	584,881	192,131	81,438	2,672,932
2012	1,106,467	848,438	1,079,245	68,445	3,102,595
2013	1,710,377	1,122,275	633,346	20,809	3,486,807
TOTAL (US\$)	15,787,898	5,466,192	2,197,091	311,929	23,763,110

Slide 1

Source: AngloGold Ashanti 2013

From the **Table 2** above it can be seen that AGA's financial commitment to its corporate social responsibility has seen a growth over the years with the greater percentage being into community health and social infrastructure development related projects representing 66.44 percent and 23 percent respectively of the total CSR expenditure of AGA for the period 2004 to 2013. It should however, be noted that only 9.25 percent of the AGA's CSR investments has been spent on the provision of education, youth and sports whilst art, culture and heritage represents just a little over 1 percent (1.31 percent) of the company's total expenditure on CSR projects.

In the year 2014, the AGA Obuasi mine spent US\$66,286.61 in the provision of electricity to Anyinam and Sanso communities, US\$1,131.84 in cleaning up the Obuasi Township, the company also spent a total of US\$243,735.43 towards its CSR projects. The month of May saw a substantial increase to US\$453,370.85, the amount was used in the payment of electricity bills for the Adullam Orphanage School as well as the Anyinam and Sanso communities, sponsor of Time FM - a local radio station to cover the CHAN in South Africa and many other social functions including a donation for the Otumfuor's 15 year anniversary celebrations.

4.4 COMMUNITY INVOLVEMENT IN CSR PROJECT PLANNING AND IMPLEMENTATION

The involvement of the community in CSR project planning and implementation is often not the case in the Obuasi municipality. CSR policy formulations are solely made by the company with little or no community involvement. Even though the company have series of meetings with the representatives of the various communities, their opinions most of the

time are not taken. One of the beneficiaries, Mr. Kofi Darkwah for instance made a complain that they wished they were consulted before commencing the piggery and garment projects. The piggery and the garment projects as discussed in 4.3.3 and 4.3.4 were all initiated by the company and was imposed on the people of the municipality without their consent. Since they do not have the ability to influence the decisions made by the company because of their poor conditions, they always have to accept whatever help that comes before them.

From the survey response gathered, it was therefore discovered that household members or residents of households are not directly involved in the design and implementation of projects within AGA's CSR obligations, though this speeds up the project planning and implementation rate, it is not very effective as projects do not always reflect the needs of the local residents.

According to the AGA workers, they were not duly consulted about the OMCP before the commencement of the project. They were only notified on the time that the exercise was to take off. Apart from members of the Community Consultative Committee (CCC), all the other interviewees in the Obuasi municipality claimed that AGA's CSR policies are formulated without considering their opinions. The people are only informed about when a project is going to take place in the community. Meetings held are normally between the company and the CCC which comprises the chiefs, local authorities (assembly men and women) and three members of the community. These meetings are held at specific time intervals and sometimes the community members do not get to be informed about the outcomes of the meetings.

4.4.1 Interview with Opinion Leaders on Community Involvement

Interviews were further held with opinion leaders (Assembly men and Unit Committee members) in the various communities, these were done to verify what was gathered from the household questionnaire administration. From the interview held with one of the unit committee members for Anyinam, meetings are held monthly between the community's opinion leaders and representatives of the AngloGold Ashanti Company. At these meetings, the needs of the community are presented by the opinion leaders who are acting as representatives of the general community. Issues raised are discussed and projects are developed to solve these issues, he continued to site a proposed public toilet and biogas facility that had been designed by the AGA to replace the community's obsolete toilet facility.

The situation at the other study communities was different from that of the Anyinam Township. Interviews held with the Assembly member for Gausu, and the Unit committee secretary of Obuasi central brought up similar issues to the fore. That is, the AGA Company as an entity does not relate directly to these communities as a part of its CSR obligations. It rather pays royalties for use to the Obuasi Municipal Assembly (OMA) which in turn uses these fees to sponsor its development projects. So the needs of the community get presented to the OMA which addresses these issues from its funding.

4.5 SUSTAINABILITY OF PROJECTS

The sustainability of any development project implemented has to be ensured so that projects can really benefit society. From the field survey it was realized that AngloGold Ashanti expects community members to maintain projects after they have been

implemented. For instance people in Anyinam though enjoy free utility services, have to pay a meager amount of 50 pesewas per house for the maintenance of pipelines and electricity systems in the township. When they were asked of their fate upon the closure of the mine, most of the people feared the free stuff they enjoyed would end with the mine's closure. Also, a seven member project implementation committee was also selected from the Abompekrom community to ensure adequate maintenance of the flush toilet facility with biogas biodigester and a mechanized borehole with overhead tank which was constructed by AngloGold Ashanti. Facility user training was also provided to these committee members to equip them to manage their own project.



Figure 4: A 20-Seater Capacity Community Flush Toilet Facility with Biogas Biodigester at Abompekrom

Furthermore, AngloGold Ashanti undertook a construction and wiring of shed structure to house corn mill equipment at Mampamhwe. After the project was handed over to the community, the project implementation committee was charged to develop an action plan that sought to monitor such project and how to collect fees to be used to maintain the facility when it break down.



Figure 5: A Shed Structure to House Corn Mill Equipment at Mampamhwe

AngloGold Ashanti Limited as part of fulfilling its Corporate Social Responsibility has constructed a mechanized water facility at the Obuasi Market Square. As a means of maintaining the project a community committee formation training was provided to the committee members to give them the mandate to manage their own project.



Figure 6: Market Square (Obuasi) Mechanised Water Facility

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 INTRODUCTION

This section presents a summary of the main outcomes and inferences from the research in relation to the effectiveness of AngloGold Ashanti's CSR policies and its sustainability. It continues to make conclusions and recommendations on how AngloGold Ashanti can be more effective in the implementation of its CSR obligations.

5.1 SUMMARY OF KEY FINDINGS

The findings of the research revealed that, as a means of discharging CSR policy, AngloGold Ashanti in 2007 introduced an organized CSR policy into their main stream corporate policies. This was done by forming a community and social development department within the sustainability division of the company. The objective of the creation of this unit was to make available an official platform to discuss social matters as well as granting the community the audience to communicate with the company openly in relation to their societal interests. The study revealed that, the community and social development department obtains grievances and demands from the native community and submits it to the company for deliberation and the necessary action to be taken. However, the situation as seen from the findings of the study indicates that, the discussions do not comprise most of the people in the community; hence the community involvement is not properly captured.

Community members are not directly engaged in the development and execution of projects. In the case of Anyinam, the people are represented by their key opinion leaders; the situation is different from the other communities as the AGA company deals with the Municipal

Assembly instead of the communities. The AGA Company has kept increasing its allocations to the performance of its CSR.

The study also found out that AngloGold Ashanti expects community members to maintain projects after they have been implemented. This maintenance of projects comes in a form of members of the community paying some meager amount of money per house as a maintenance fee.

The survey also indicated that mining activities in the Obuasi Municipality comes with lots of environmental as well as health problems. Mining activities have resulted in land degradation, pollution of air and water bodies. The respondents confirmed to the fact that mining activities has increased the prevalence of ailments such as malaria, skin diseases and respiratory infections.

5.2 CONCLUSIONS

The main objective of this study was to assess corporate social responsibility (CSR) and sustainable development of AngloGold Ashanti. The results obtained in this study clearly indicate that this objective was achieved. The ensuing assumptions were reached centered on the results obtained after the research. It can be established from the study that AngloGold Ashanti discharges its CSR policy through structured main stream corporate policies. This has been made possible through the institution of a community and social development department under the sustainability division. The study revealed that, the department obtains grievances and demands from the local community and submits it to the company for deliberation and the necessary action to be taken on it. However, it can be concluded from

the findings of the study that usually, the discussions do not involve most of the people in the community and so the community involvement is not objectively represented. It can be concluded from the study that, household members or residents of households are not directly involved in the design and implementation of projects within AGA's CSR obligations, though this speeds up the project planning and implementation rate, it is not very effective as projects do not always reflect the needs of local residents. The formulation of CSR policies are mainly done by the company with no or little consultation with the people who are supposed to benefit from such policies. The survey concludes that AngloGold Ashanti expects community members to maintain projects after they have been implemented. AngloGold Ashanti has laid down payment scheme for project maintenance. A meager amount of money is paid per house as a maintenance fee. It can also be concluded from the study that, mining activities has lots of negative effects on the health of the members of the communities as well as the natural environment. This has led to issues of land degradation, air and water pollution, malaria, skin diseases and respiratory infections.

5.3 RECOMMENDATIONS

The AGA's financial allocations towards CSR keeps increasing yearly but just a meagre portion is allocated to infrastructural development; AGA should invest more in infrastructure provision and development which improves the lives of the local people in the short run.

It is also recommended that the AGA Company should involve the people on its CSR policies and projects implementation through meetings with community elders. This, when done will enhance the image of the company before the people.

A trust fund should be set up in order to provide funds for the sustainability of projects upon the closure of the Obuasi mine in the near future. Some of these projects are the provision of electricity to the Anyinam Township and provision of other social amenities among others.

The government should put in place rules and regulations as a control measure for the operations of AngloGold Ashanti so as not to operate very close to the heart of the communities. This will reduce land degradation, air and water pollution. Also policies should be made by the government sanctioning the mining industry in the event of polluting water bodies and causing stagnant waters that breed mosquitoes.

5.4 SUGGESTIONS FOR FUTURE RESEARCH

The areas for further research that emerge from this study include examining corporate social responsibility and sustainable development of mining activities in Ghana. Also the role of the community leaders in corporate social responsibility can be researched into. Furthermore, the involvement of the local community in the planning and implementation of the CSR policy of AngloGold Ashanti can be looked at.

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APPENDICES

APPENDIX I

QUESTIONNAIRE FOR HOUSEHOLD DATA COLLECTION

N/B this research is strictly for academic purpose, the confidentiality of any information given is assured.

- 1. Residence.....
- 2. Sex..... Male [] Female []
- 3. Age.....
- 4. Occupation.....
- 5. Marital status: a. Married [] b. Unmarried [] c. Divorced []
- 6. Highest level of educational attainment
 - a. Illiterate [] b. Basic []
 - c. Secondary (S.S.S, Training College, Vocational) []
 - d. Tertiary (Polytechnic, University) []
 - e. Others, specify.....
- 7. For how long have you been staying in this town/village?
.....
- 8. Are you aware that the AngloGold Company has a CSR duty towards the Obuasi community? a. Yes [] b. No []
- 9. Are you aware of the objectives of AGA CSR policy? a. Yes [] b. No []
- 10. If Yes, how did you get to know of the policies?
.....

11. Are you aware of any developmental activities undertaken by AngloGold Ashanti in the community a. Yes [] b. No []

12. If Yes what are they?
.....

13. Do you think these objectives address the development problems of the community?
a. Yes [] b. No []

14. Why do you think so?
.....

15. Are residents involved in the planning and implementation of projects?
a. Yes [] b. No []

16. At what level of the project implementation stage are citizens involved in the project implementation process?
a. site selection b. project proposal and design c. funds mobilization
d. others specify.....

17. Do you think projects are effective at addressing development challenges in the settlement? a. Yes [] b. No []

18. If No how do you think the effectiveness of projects can be enhanced?
.....

19. Do you think projects implemented through the CSR policies are sustainable in the event of the mine's closure? a. Yes [] b. No []

20. Why do you think so?
.....

21. How does the operation of the mine affect you in the operation of your business?

.....

22. What effect(s) has the operation of the mine on the natural environment in the Obuasi municipality?

.....

23. What cause(s) pollution (of any sort as chosen in Q.22) on the environment? (Tick all that apply) a. Presence of tailing dams b. Use of toxic materials
c. Use of heavy machinery

24. Generally, do you consider the presence of the mine a blessing or a curse?

.....

25. Why the choice of answer above?

.....

26. Has AngloGold Ashanti (AGA) made attempts to reduce the adverse environmental effects of mining activities? a. Yes [] b. No []

27. If Yes, what are some of the measures being undertaken?

a. Re-afforestation

b. Resettlement of affected communities.

c. Providing alternative sources of drinking water.

d. Compensation to affected communities E. Reviewing or varying methods of operation.

e. Others, specify