

STAKEHOLDERS' INVOLVEMENT IN CORPORATE SOCIAL RESPONSIBILITY: THE MINING SECTOR IN TANZANIA

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Abstract

Corporate social responsibility (CSR) projects that do not involve communities where they are based stand a greater chance of either failing from reaching their objectives or being rejected by their intended beneficiaries. Community involvement is not just about being nice; it is a central pillar in the business of CSR. Some external secondary stakeholders in Tanzania are rejecting or ignoring local CSR projects affecting them, which raises a question of whether they have been consulted at all in the relevant decision making. Using the experience of communities in the area of the Geita Gold Mine (GGM) in Tanzania and stakeholder theory, this qualitative study analyses the relationship between CSR and involvement of non-consumer stakeholders in decision making processes and their outcomes. The study used a combination of questionnaires, interviews with key informants, and focus groups to obtain information, opinions and perceptions of company administrators, business people, government actors and local community members so as to fill analytical gap between claims on CSR success stories made by companies and the experience of people on the ground. The study found out that key leaders in the local communities who were neglected in the CSR decision making process were led to view the projects as redundant or irrelevant. The study recommends that for an autonomous, robust and sustainable CSR project, a company needs to be inclusive, by integrating local key representatives at every stage of the CSR project's life. In addition, the study recommends that for CSR projects to be genuinely appreciated, and to meet the goals it sets with communities as the beneficiaries of transformation, the CSR projects need to be monitored carefully and audited regularly.

Key words: Corporate social responsibility, stakeholder theory, mining, management, business ethics.

Introduction

Every age in history has tried to find the perfect symbiotic relationship between 'economic man' and 'social man' (Sage 2015, Chatterji 2011). Corporate social responsibility (CSR) is one attempt to achieve this symbiotic relationship. CSR had its historical initiation in an unsuccessful international attempt to regulate multinational corporations (MNCs) under the General Agreement on Tariffs and Trade (GATT); and regulated collaboration continued to fail under subsequent World Trade Organization (WTO) agreements. These international failures to

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achieve satisfactory economic cooperation left the effort to regulate MNC activities to the individual nation states where these companies operated. For some, this shift in reliance for safety and oversight from the market under capitalism to the nation state necessitated the emergence of certain ‘rules of the game’ developed as self-regulation of CSR, in order for MNCs to avoid being subjected to the ‘laws of the jungle’ (Jenkins 2001). MNCs and national companies employ CSR to respond to the sometimes conflicting, and other times cohering, expectations of domestic and global stakeholders, political actors, and home and host country institutions (Prakash and Griffin 2012).

Chikati (2010: 10) argues that corporations have to actively engage public interest by encouraging community growth and development, and by voluntarily eliminating practices that harm the general public, regardless of the technical legality of those practices. He further noted that CSR entails essentially the deliberate inclusion of public interest into corporate decision-making, and the honouring of the ‘bottom line’, represented as “the three Ps:” people, planet, and profit. This argument implies that in order for CSR to include public interest into corporate decision-making, communities have to be involved in the relevant episodes of decision-making. The central issues in CSR are accountability, local economic development, *community involvement*, the environment, ethics, governance and human rights (Lungu and Mulenga 2005, Doane 2005). Prayogo (2013: 61) writes that in “. . . many developing countries, the concept of CSR is very tightly linked to sociological concerns, namely, conditions of the relationship between a corporation and the local community.”

However, a number of NGOs and researchers raised questions about the outcomes that CSR efforts actually yield. Some claim that CSR projects and their reporting are simply public relations management exercises, without substantive impact for the purported beneficiaries (Emel et al. 2012); that companies use CSR to generate publicity, turning community problems into business opportunities (Drucker 1984a, 1984b, Association of Tanzania Employers (ATE), Porter and Kramer 2011, Lange 2006). Masuku and Moyo (2013) assert that a thin line exists between CSR and Public Relations (PR) and Prabakaran (2010) sees CSR as competitive business strategy or compassionate capitalism.

Saylor Foundation (2013: 4) posits that “CSR is a highly complex topic. Organizations are pressured to meet higher expectations by consumers, managers, stockholders, government agencies, and environmental regulators. It is no longer good enough to be profitable, business must also meet high levels of moral, ethical, and discretionary standards. In response to these expectations, most businesses have risen to the challenge by engaging in activities that better society.” It is, however, argued that CSR in the extractive industry is a reaction to the increasingly vocal, progressive campaigns of local communities and other anti-mining organizations that arose in the 1980s and 1990s (Emel et al. 2012). The mining industry in Tanzania has become a highly controversial sector, since

the early 1990s when claims were first raised publicly that foreign mining companies were offered excessively generous conditions when they were invited to invest. It was observed that Tanzania was getting little benefit from the sector. This was coupled with the growing controversy over the bad relationship that foreign mining companies had cultivated with small scale indigenous miners (Lange 2006, Kulindwa et al. 2003).

The importance of these critical studies has grown over time. For notwithstanding the grandiose boasting by some companies about the success of their CSR projects initiated in local communities, there is growing evidence that a number of CSR projects in Tanzania have done quite poorly, with their activities failing and showing disappointing results. Further, some local communities have been rejecting CSR projects outright (Egels 2005, Emel et al. 2012). One of the contributing factors to CSR project failure that has been extensively discussed is the lack of involvement of the projects' beneficiaries in the decision-making process (Diallo and Ewusie 2011, Freeman 1984). Lakin and Scheubel (2010) and Cohen (2010) argue that corporate community involvement (CCI) is essential if corporations want to achieve any meaningful outcome of their investment into community support.

Non-involvement of project beneficiaries leaves corporations responsible for many CSR projects which are not relevant to their intended beneficiaries (Reputation Institute 2013). Munshi and Kurian (2007) argue that engaging a community's involvement is not an option for the company; however, communities are often neglected because they are not related to a company's brand or image. Officially, communities are regarded as the fourth pillar of CSR (Levy 2014, ATE 2012, Mbirigenda 2015b). A number of seminal papers in the literature name the other pillars differently; but one pillar is referred to in the same way, and that is 'the community' (Barrick 2015, Dragon Capital 2016).

In development projects, it is not enough to involve elite leaders, as this would undermine the whole logic of representation in both theory and practice. In theory it would beg the question of whose interests and concerns these leaders would be representing if those who are supposed to be represented do not have access to any information about the projects, nor any opportunity to register their interests and concerns. In practice, development projects always need to sensitize members of the local communities about the project long before its actual implementation. In this way, people are made aware of the company's initiative on their behalf, and are provided an opportunity to develop a sense of ownership about the project. Secondly, it is generally considered ethical for people to be involved in any decision that would affect their personal lives or their place of work (Forcillo 2017, Mintzberg 1984).

However, a number of scholars argue that secondary non-consumers comprising ordinary members of communities in developing countries are deliberately

neglected by the inner circles of corporate power operating in their neighbourhoods (Munshi and Kurian 2007, Adanhounme 2011, Drebes 2016). Using stakeholder theory to analyse the experience of communities around Geita Gold Mine, this study highlights and investigates what might have gone wrong both in CSR theory and practice in these neighbourhoods. Further, this study seeks to suggest the way forward by benchmarking unsuccessful CSR experiences against what local communities regarded as alternative successful trajectories of community involvement had the projects in question been managed differently.

This study's discussion is structured as follows: the first section introduces the study and presents why it was important; the second section reviews already existing relevant CSR theories related to communities as stakeholders; the third section presents the research methodology employed; the fourth section discusses the study findings, and finally, the fifth section presents conclusions and recommendations of this study.

Literature review

CSR is said to be a vague term with many meanings and contending theories (Jamal 2008, Frankental 2001). One such view is the stakeholder theory. Freeman and Evan (1990) argue that all stakeholders, especially those with asset-specific stakes, have a right to bargain and deserve a fair contract. When communities as part of stakeholders (ATE 2012) are not involved in the decision-making processes then they are denied their right space to bargain and thus get a fair contract. This denial of space to bargain and get fair contract, as Freeman (1984) points out might result in a conflicting relationship between the community and the company.

Stakeholders can be defined as individuals or groups who either get advantage or are disadvantaged by corporate decision or action. Eden and Ackerman (1998) and also Bryson (2004) define stakeholders as people or small group with power to respond to, negotiate with, and change the strategic future of the organization. Stakeholders can also be defined as individuals or constituencies that contribute, either voluntarily or involuntarily, to the wealth-creating capacity and activities of a corporation and therefore these are the corporate potential beneficiaries as well as possibly the risk-bearers (Post et al. 2002). GGM defines its stakeholders as those who are affected, either directly or indirectly, by its business activities and also those who can affect the outcomes of their operations and projects. Stakeholders can either be primary or secondary, depending on their vested interest in the business of the company. This study only dealt with secondary non-consumer stakeholders, and specifically the local communities in Geita that the company pointed out as the beneficiaries of its CSR projects. The Saylor Foundation (2013: 1-2) posits that:

. . . Secondary stakeholders can influence, both positively and negatively, the actions of the organization. They indirectly affect the organization by taking actions to make it difficult for the organization to succeed, or by supporting the organization's efforts (CSR).

Business experts claim that demonstrating commitment to local communities can improve business reputation, and makes it easier for a company to either recruit or retain employees (Forbes Human Resources Council 2017). Gooyert (2012) argues that a company will take more stakeholders if it was more ambitious in applying stakeholders theory; and with moral obligation the company will take into account a wider range of stakeholders, among which he includes nature and the whole membership of affected communities (both consumers and non-consumers alike).

Gooyert (2012) argues further that there are three reasons why corporations should take stakeholders into account: firstly, because it is the law; secondly, because it is in the overall and long term interest of the corporation; and lastly, because stakeholders have value and deserve consideration in their own right. It is well documented that the companies which include their stakeholders in their planning and implementation of CSR programmes stand higher chances of succeeding in their social responsibility and sustainability than those that formulate and implement CSR programmes independently (Diallo and Ewusie 2011, Fontaine et al. 2006, Steurer et al. 2005).

Full stakeholder participation means involvement of the beneficiaries from the preparatory stage of problem identification, intervention identification, project financing, project implementation and project monitoring and evaluation. This involves interaction with and among people concerned (Ghai 1988). Therefore, the process of stakeholder involvement means stakeholders are present and engaged in the process of analysing, planning and design, taking action, evaluation and review (Mbirigenda 2015, LG Electronics 2015).

Stakeholders include employees, their families and unions; communities, their representatives, NGOs and other civic and religious organisations; governments and regulators; shareholders, investors and financiers; suppliers, industry peers and joint venture partners and the media. For this study we only dealt with communities as stakeholders and especially those communities that were beneficiaries. But some scholars argue these community sectors are inconsequential to a company's image and therefore they are deliberately excluded from the inner circle of decision making power (Munshi and Kurian 2007, Adanhounme 2011, Drebes 2016).

It should also be noted that although this may sometimes create ambiguity, often the terms 'society' and 'community' are used interchangeably. However,

ambiguity is clarified when the stakeholder approach is taken (Chatterji 2011). Donaldson and Preston (1995) warn that stakeholder theory does not imply that although they can be identified, not all stakeholders should be equally involved in all processes and decisions. However, the present study treats communities as the primary beneficiaries of CSR projects. It is argued here that when a CSR project is purportedly aimed at helping the entire community, it is only honest and ethical to involve the non-consumer stakeholder (Gooyert 2012), known in some theoretical contexts as ‘subaltern publics’, in all processes and decisions that would affect their lives.

Stakeholder theory makes a claim that by trying to conceive how stakeholders would react to different decisions, corporate officials try to keep stakeholders’ reactions in mind when making decisions. Freeman (1984) mentions two techniques of involvement; these are negotiation and making voluntary agreements. Freeman stresses that involving stakeholders is the only way to cope with the congruence problem. The congruence problem is defined as a situation whereby the perception that an organization has concerning its stakeholders does not necessarily have to be realistic (Gooyert 2012). Freeman argues that voluntarily adopting a negotiation posture with stakeholders is the only way to avoid imposing solutions from outside or from above. Such solutions might even harm the stakeholders, albeit unintentionally. He goes further to say that in the short-term, a corporation might take away a CSR result that harms the stakeholders unintentionally; but in the long-term, dealing with the same stakeholders later on, to whom harm has been caused, might start a process of conflict escalation which in turn may harm the corporation (Freeman 1984). In a number of scenarios, the lack of participation by local communities in companies’ CSR activities has resulted in negative outcomes such as project failure (Gaygol 2015). A clear CSR strategy, based on integrity, sound values and a long-term outlook, offers strong business benefits to companies and helps companies to make positive contributions to society at little or no extra cost. But this requires engagement in open dialogue and constructive partnerships with the local communities (Mbirigenda 2015b).

Tanzania has Acts on Corporate Governance (Kapinga and Sinda 2012) but has no specific policy on CSR (Chikati 2012). However, the country does allow companies to engage in CSR activities; but the cost of these projects is not tax deductible. Generally, CSR in Tanzania is heavily characterized by one-time donations to charities and communities (Chikati 2010), but CSR should not be a one-time ad hoc ‘look good’ gesture without business objectivity and without impact review to record the project’s benefit and cost to the society (ATE 2012).

Branco and Rodrigues (2007) argue that companies engage in CSR mainly with the aim of reaping some kind of benefit from such engagement, and stakeholder theory addresses this particular fact. This research team shows that a useful notion of CSR should be based on a stakeholder view and should be capable of

addressing both normative and instrumental aspects. They regard stakeholder theory as a necessary process in the operationalisation of CSR; to them it is a complimentary rather than a conflicting or critical contribution to the CSR literature (Branco and Rodrigues 2007, Matten et al. 2003). A CSR stakeholder theoretical perspective proposes that besides shareholders, other groups or constituents are affected by a company's activities; these include employees and the local community, as having a right to being considered in managers' decisions, possibly on a par with formally recognised shareholders (Branco and Rodrigues 2007, Freeman 1998, Werhane and Freeman 1999). Stakeholder theory is thus part of the motivation for businesses to be responsible. Damak-Ayadi and Pesqueux (2007) argue that stakeholder theory is a comprehensive perspective that sees the organisation-group relationship as a foundation and a norm.

However, critics argue that it is impossible to recognize and acknowledge stakeholder's interests with any precision, and that developing strategies for appropriate "socially conscious" actions in the marketplace is a matter of guesswork, which undermines the requirement to retain a clear vision and a focused purpose. Therefore, when attempting to determine corporate vision, aims and objectives, managers may attempt to satisfy both sets of criteria, to the extent that resources are available; they do so under the influence of both the business and prevailing social orthodoxies (Ambler and Wilson 1994). This requires the advice and input of experts, not just any community member who happens to be based in the vicinity of the company's location or scope of impact. In addition, stakeholder theory is said to be managerial; thus it is a non-participative agenda. It therefore fails to provide any means of assessing power distribution among stakeholders or the resulting impact of a company's activity, or individuals' behavioural responses.

Despite these weaknesses in the development of measuring and tracking the effect a company is having on stakeholders as a group broadly construed, there is a general agreement that stakeholders in this looser sense are important for business success. Besides, these weaknesses can be remedied by identifying the stakeholders likely to be affected as a matter of stipulation by a company in context. Then, after detection, stakeholders as community members' interests can be collated, their needs anticipated, and it is then possible to calculate what the anticipated reaction of stakeholders will be after a decision is taken by the company. Thus it is possible to plan ways to handle the reaction of community stakeholders in advance (Soni 2016). Stakeholder theory assumes that the greater the participation of the community in decision-making processes, the lesser the chance for negative responses towards companies' projects and programmes. Correlatively, the less that companies engage communities in decision-making processes, the greater the chance of negative responses to the companies' visible activities. So there is evidence that the theory is able to describe, explain, analyse and offer reliable predictions of community responses to CSR programmes.

Methodology

This was a qualitative case study attempting to get perceptions of non-consumer stakeholders in local communities of Geita, determining how GGM involved communities that are beneficiaries of their CSR projects in their decision making process. The study used a combination of questionnaires, interviews with key informants and focus group discussions (FGDs) to obtain information, opinions and perceptions. The focus group discussions were comprised of nine to eleven people and lasted from two to three hours; they were held in the villages of Nyakabale, Katoma, Mtakuja and Nyankumbu. FGDs were organized by village leaders, local communities' business groups and youth. Twelve interviews were obtained with a GGM manager, GGM CSR officer (the HR officer), a taxi driver from Geita town, a District Commissioner (DC) representative, a head teacher of Nyamalembo Primary School, four village chairpersons and three business people from villages of Mtakuja, Nyakabale and Katoma.

The study employed purposive sampling because it needed only respondents with deep information and knowledge on CSR projects by GGM from within the company. The sampling was done in stages. The first stage was done at the Tanzania Revenue Authority offices by obtaining the list of the top hundred large taxpayers in the country. Then the extractive company that was in the middle of the list (average tax payer among the extractive companies) was picked. GGM was chosen because it was the third largest gold mine in Sub-Saharan Africa, with 2400 employees. It contributes one third of the Tanzanian government's revenues from large scale mining (Lange 2006).

The second stage was to visit the company, meet the management and get information on the company's CSR projects from those who were in charge of corporate social responsibility. The projects dealing with communities and the target end-users (beneficiaries) of the projects were identified. The last stage involved visiting the authorities representing those communities, who then identified people who were knowledgeable about the CSR projects. These were identified, as above, to be the GGM Managing Director and GGM Human Relations (HR) Officer or CSR Officer at the company, the taxi driver (from business), Geita District Commissioner and Head teacher of Nyamalembo Village Primary School (Government), and a number of members of the Geita community (see Table 3.1 on the next page). Nyakabale and Katoma villages were purposively picked because they hosted significant CSR projects started by GGM.

Geita Gold Mine

GGM, a subsidiary company of AGA was officially opened in 1999 and it included a special mining license area of 175 km² with seven open pits and multiple tailings, piles and ponds (Emel et al. 2012). AGA has twenty gold mining operations in ten countries, as well as several exploration programmes in both the established and new gold producing regions of the world. AGA engages in CSR in four areas: water supply, education, health, and agroforestry.

Table 3.1: Respondents for CSR of GGM

Respondent type	Total sample size	Type of sampling	Group
Managing Director	1	Purposive	Company
CSR Officer (WO)	1	Purposive	Company
Taxi Driver	1	Purposive	Business
District Commissioner (Geita)	1	Purposive	Government
Head teacher of Nyamalembu village primary school	1	Purposive	Government
Village officials (Nyakabale and Nyankumbu)	10	Purposive	Community
Village officials (Mtakuja and Katoma)	10	Purposive	Community
Villagers (Nyakabale and Katoma)	25	Purposive	Community
Total	45		

Source: Field Data

GGM, under AGA's CSR vision, claimed to be committed to respect and protect the environment and make communities and the societies better off than before the arrival of the Company, aiming to have positive impact on the people, cultures and communities (AGA 2012). AGA also said that it was committed to undertake social investment initiatives in the areas of need where the group can make a practical and meaningful contribution, in particular to those areas of education and health care relevant to AGA's business activities, and those most likely to be sustainable after operations had closed. AGA encouraged its employees to make themselves available for participatory and leadership roles in the community. The company claimed to work with the local communities to develop workable plans for any resettlement; and strive to contribute to the sustainable economic development of host communities through procurement activities. GGM also claimed contribution of redundant assets to the community, assistance in the establishment and growth of small to medium-sized sustainable enterprises, and the outsourcing of goods and services to local vendors where appropriate (AGA 2012).

Lange (2006) presented stakeholders' involvement in CSR projects started by GGM as containing District Commissioner, the District Executive Director, three Members of Parliament, the Chief Councillor, and the Human Relations Officer of GGM. However, Lange noted that this involvement created some conflict, as each Member of Parliament wanted the CSR projects to be in his or her constituency.

The study's findings

The stages identified in the stakeholder involvement process were the first analysing, then planning and design (strategy development), engagement, taking action (CSR strategy implementation), evaluation and review (monitoring, assessment and communication) (Diallo and Ewusie 2011, Gooyert 2012, LG Electronics 2014). The next part of this study sought data to find out if local

communities of Geita were involved in all these stages of decision-making process of CSR projects.

GGM officers stated that the CSR strategy formulation was aligned with bigger AGA policies and business principles. At the corporate level, a community relations team developed group policy with respect to the community’s issues as well as assisting the operations of AGA in accordance with its policies. This team was reported by management as also responsible for the development of central planning and reporting, particular in light of Stakeholder Engagement Action Plans (SEAPs) forming the backbone of the group’s community engagements. The company’s CSR focus was on certain phased infrastructure projects, which included bringing fresh water supply from Lake Victoria to Geita town. The company also embarked on a malaria spraying campaign in Geita. Additionally, the managing director and human resource officer reported an ongoing HIV/AIDS campaign.

The human relations (HR) officer also claimed that no ecosystems or habitats were affected by the use of water at GGM and no toxic water from the mine was discharged into the environment. The HR Officer said that the company involved the local communities only where possible. This revealed the power relations between the two parties. It showed that involvement was at the discretion of the company and the local communities had no say in the matter. The only participation that GGM noted in its CSR documents was that of SEAPs and community leadership for its employees (AGA 2012). The latter worked best for the company as it ensured lobbying of the community by the company as the leaders who were also employees could be easily manipulated.

Data showed that community members were not involved in the CSR and thus did not have knowledge of the whole process of how GGM developed CSR projects implementation in their community. Table 4.1 below illustrates data from 45 respondents involved in filling questionnaires.

Table 4.1: GGM strategy development and mechanisms of implementing CSR

	Knowledge on how CSR strategy & mechanisms of implementation are formulated	Knowledge on CSR strategy and its implementation mechanisms	Knowledge on how strategy & mechanisms were monitored and evaluated	Knowledge on what CSR is	No knowledge of the whole process	Total
Respondents	3 (6.7%)	3 (6.7%)	2 (4.4%)	11 (24.4%)	26 (57.8%)	45 (100%)

Source: Field Data

Table 4.1 illustrates 57.8% of respondents indicated that members lacked knowledge on the process of CSR decision-making, while 24.4% knew what CSR is, and 6.7% had knowledge of CSR strategy formulation and mechanisms of implementation, and again 6.7% had knowledge on CSR and implementation of

those mechanisms. Only 4.4% knew how CSR strategy and its mechanisms were monitored and evaluated by the company. This was supported by a village chairperson of Nyamalembo, who said:

They always come and tell us what they want to do. They would build a school after they have taken a land that inhabited school, build road because it leads to their mines, and so on. They do not come and ask what our problems are.

Findings also showed that GGM was not concerned with the inclusion of local communities in its CSR projects but only with its monetary and other resource contributions. Results of the respondents from the local community showed that they perceived the company was not offering them space to bargain over what projects and how, who, and when those projects were to be implemented, nor about what measures would be used to assess its success or failure. These findings corroborate other studies by Porter and Kramer (2007), Zappalà (2010) and Arli and Cadeaux (2014).

The local communities' participation in decision-making of CSR programmes

The GGM HR Officer reported in an interview that the company involved the local communities by having frequent meetings to discuss different interests including but not limited to CSR. The frequent meetings were held with residents of the surrounding villages, and community leaders were issued with identification cards for easy access to the mine. However, this gesture was again contested by community members involved in FGDs, who claimed that the only people with “anytime” passes were the chairperson, secretary and the commander of the village militia (Kamanda wa Sungusungu). They went further to say that the company even blocked a road that was shorter from one of the primary schools to Geita town without consultation. The road was claimed to be only seven kilometres, but after the road was closed people had to go around the mine, and the distance was more than twenty kilometres, passing through the forest. The teachers who had to go to Geita to get their salaries and other services had difficulties in managing the long travel after the road closure. They were also frightened to use the long route because of the heightened risk of robberies occurring in the desolate stretches of the road running through the forest.

Local community members involved in filling questionnaires also gave data that supported the FGDs as shown in Table 4.2.

Table 4.2: Communities’ participation in decision-making processes of CSR by GGM

	Full		Partial		None		Do not know		Total
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	
Community participation	5	11.1	7	15.6	32	71.1	1	2.2	45 (100%)

Source: Field Data

Data on Table 4.2 illustrate that 71.1% (32 respondents) said that there was no community participation in the decision-making of CSR by GGM, while 15.6% (7 respondents) said there was partial participation and 11.1% (5 respondents) claimed of full participation and 2.2% (one respondent) declared no knowledge on the topic. These findings were in line with Lange (2006).

Perceptions of cost and benefit of CSR for company and local communities.

The Managing Director argued that the Company strove to form partnerships with host communities, sharing their environments, traditions and values. This claim suggests that CSR of GGM was centred on the community. Nonetheless, respondents to this study’s queries had a different opinion as shown in Table 4.3. In this questionnaire, respondents were allowed to tick both (cost and benefit) if they perceived that either CSR was costly to both company and the community or beneficial to both. Thus seven respondents out the forty-five involved, indicated that CSR projects by GGM were costly to both the company and the community. While five respondents indicated that the projects were beneficial to both, seven respondents left the answer space for this question blank.

Table 4.3: Perception of cost/benefit of CSR for GGM and local communities

	Cost		Benefit		Do not know		Total
	Frequency	Percent	Frequency	Percent	Frequency	Percent	
Company	19	42.2	25	55.6	1	2.2	45 (100%)
Community	33	73.3	11	24.5	1	2.2	45 (100%)

Source: Field Data (2015)

Table 4.3 indicates that while 55.6% (25 respondents) perceived CSR of GGM as beneficial to the Company, only 24.5% (11 respondents) perceived it as beneficial to the communities. While 73.3% (33 respondents) perceived CSR of GGM as costing the communities, only 42.2% (19 respondents) indicated that it was costing the Company and 2.2% (one respondent) said they did not know. In an interview, the HR Officer claimed that as part of its CSR programme, GGM purchased materials from the village local community members, a claim that was disputed in FGDs and interviews. One respondent in an interview disputed saying that the village community members are poor thus cannot own a shop, a bar or hotel for GGM to buy. The respondent claimed that the programme was helping the immigrants, the company has employed and not natives.

These findings corroborate the results published by Lungu and Kapena (2010) and Branco and Rodrigues (2008) who argued that corporations do what they do non-profit not because they are altruistic but because there is long-term and short-term interest, whereby non-profit activity contributes overall in the maximization of profit. They argue that companies only deal with stakeholders when they know the latter could reward or punish them (Graafland and Smid 2004). This again corroborates the views of Lange (2006) and Chatterji (2011) who concluded that CSR is only or more beneficial to the business of the companies involved, thus cementing the stakeholder theoretical argument that companies engage in CSR to gain benefits either in the long-term or short-term. This study shows that the public's perception of CSR of GGM is consistent with the view that as much as companies may want to better the society, financial benefits cannot be ignored, though these might not be in the initial plan (Saylor Foundation 2013).

Local communities' responses to CSR projects

This part wanted to find out the reaction of the communities towards CSR programmes that did not have community inputs. The HR Officer of GGM claimed that the local communities had no grievances against the company, and that if there were any complaints the company took initiatives to address them. The HR Officer gave an example of the road which originally crossed the mine site that was diverted for security reasons. This affected access to Geita Township for people living in the neighbouring villages of Nyakabale and Saragurwa. To resolve this, the HR Officer said the company provided a daily bus service for these villagers and transport was also arranged for patients whenever emergency medical treatment was required. But this claim was refuted in FGDs; as was shown earlier, respondents reported that only people with all-time passes were able to take advantage of these services, and that privilege was restricted to the community leaders and the militia commander.

Overall, field data obtained from questionnaires filled by members of the communities showed that the community members were simply indifferent towards CSR initiatives of GGM as shown in Figure 4.1.

Local communities' reactions to CSR projects effected by GGM

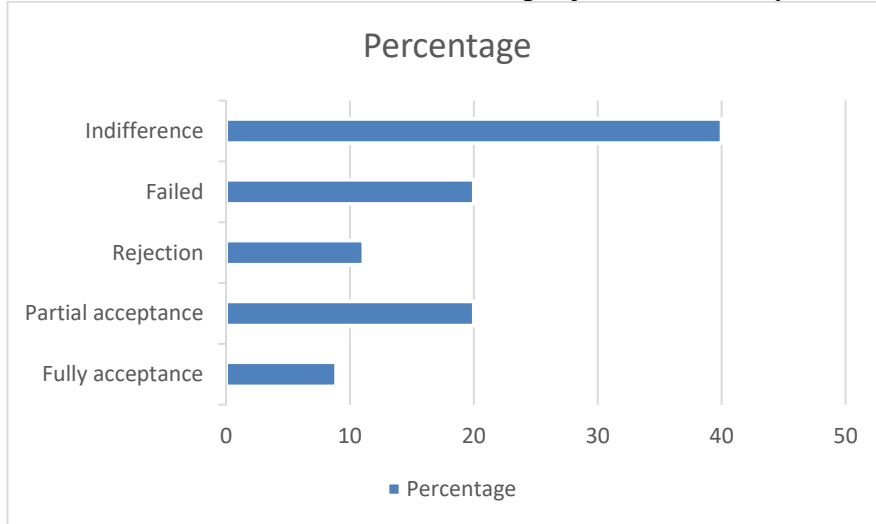


Figure 4.1 illustrates that 40% (18 respondents) were indifferent to CSR activities by GGM, while those who said CSR by GGM was partially accepted and those who said it was a failure scored the same percentage (20%). About 11.1% said that CSR by GGM was rejected and 8.9% said it was fully accepted. The villagers' views in this study corresponded with research done by Emel et al. (2012), which showed that there was dissatisfaction among local communities on the CSR projects initiated by GGM.

When the intended beneficiary communities are not involved in the CSR decision making processes, there is a risk that certain community values might not be captured, which might make community members refuse to collaborate in a project. This speculation is consistent with research done by Egels (2005) in Ngarambe village in the southern part of Tanzania, where villagers refused connection of electricity to their houses in a CSR project initiated by Abore Boveri Bank (ABB). Diallo and Ewusie (2011) fervently insist that a CSR project can even be actively blocked by an agency that the company may have failed to include in a decision making process. The results of this study, therefore, support stakeholder theory which predicts that stakeholders will punish companies that do not engage them (Freeman and Evan 1990, Freeman 1984).

Proposed participatory CSR framework fitting the local context

GGM believed in starting CSR from the corporate level by creating a community relations team which was responsible for developing policy that would deal with local community issues. This team was also responsible for the development of central planning support and reporting systems, particularly with regard to

Stakeholder Engagement Action Plans (SEAPs) and Integrated Development Action Plans (IDAPs). In these structures, communities were expected to be involved where possible (AGA 2012). GGM formulated, implemented and evaluated its CSR at the company level, deliberately neglecting or choosing at will when to involve the non-consumer stakeholders who happened to be the end-user of their CSR projects. However, the local community members involved in the study believed that an ideal CSR should have their full involvement (Figure 4.2).

Figure 4.2: Community members' opinions on how to develop an ideal CSR framework

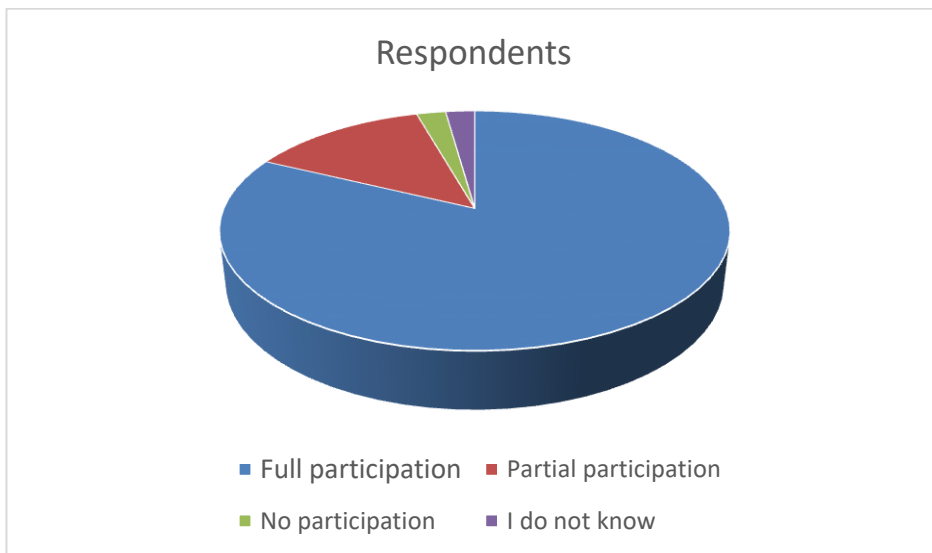


Figure 4.2 shows that 82.2% (37 respondents) indicated that full participation of local communities is the best way to formulate an ideal CSR framework suitable for local context, while 13.4% (6 respondents) said that partial participation would be enough. Those who said there is no need for participation at all, and those who said they did not know, scored the same, 2.2% (one respondent each). This finding is in line with Diallo and Ewusie (2011) who posited that CSR process consists of two phases, namely, strategy development and strategy implementation, and that in both stages communities need to be involved. This study into the views of stakeholders broadly construed is consistent with standard stakeholder theory that demands involvement of stakeholders in the formulation, implementation and evaluation of CSR programmes. A number of scholars also argue that participatory CSR can be an avenue for development of local communities, but non-participatory CSR presents a risk of failing its objectives and creating conflict or hostility towards companies (Forbes Human Resources Council 2017, Freeman 1984, Mbirigenda and Msoka 2015, Ng'eni et al. 2015). The village chairperson of Nyankubu said the following in an interview:

If these people want to help us by their projects, then they need to incorporate our ideas. They do not know our problems and needs, so how can start any project to help us? These projects are not to help us but help their company. They need to discuss with us, to know our problems and our needs, and even the right way to help us.

One sided or vague project definition as in the case of GGM leads to problems such as companies ending up delivering wrong product and might even deliver it late (Diallo and Ewusie 2011). CSR that builds only on company problems and challenges and does not engage local communities brings about domination by the company and thus is likely to create public dependence (Dos Santos 1970, 1971) and failure of its projects (Akbas 2012). It is in the solution to problems that affect both communities and the company that CSR project activities are supposed to emerge. This, again, is consistent with stakeholder theory which claims that while solving societal problems, a company aims at benefits for itself whether immediate or in the distant future.

Concluding recommendations

This study's findings agree with another recent study's conclusion of Arli and Cadeaux (2014) that stakeholders' salience may have an impact on corporate community involvement (CCI) activities – not only in the areas of accurate measurements and reporting activities as Arli and Cadeaux claim, but also in the very success or failure of the project itself, as one would expect from the principles of stakeholder theory. Stakeholders engage in projects because they foresee some benefits and because they anticipate that those benefits will be worth their time and effort (Diallo and Ewusie 2011); otherwise companies risk the effect of negative brand name associations and of developing a negative relationship with the stakeholders, which might even lead to future conflict and obstruction by the community (Freeman, 1984). The non-involvement of communities in CSR projects and activities makes CSR difficult to implement, thus putting CSR success in jeopardy or at best tenuous. More so, involvement and participation empowers people which is a good in itself. The company should not be seen as an external donor financing local community's development at arm's length, but as another member of the community who works along with its counterpart members within the community. A community does not rely on one member; individual members can transfer to other communities or even die; yet community carries on without them. This lesson is important as companies also transfer to other places and they too die, as do human beings; thus communities need to learn from companies while they are present, active and thriving, so as to

transfer skills that may solve future problems when the company may no longer be around (Mbirigenda 2015a).

Therefore, the study recommends that companies and subaltern publics of the communities affected by those companies should sit together, to define the concept of CSR for their particular circumstances, and to arrive together at a common understanding. The power relationship itself between company and community has to be analysed and regulated, so that CSR project does not end up creating a dependency relationship leading to the community being exploited, or inadvertently harmed, or dominated by the mighty power of corporations. It is important to make sure that relationships are maintained so that actors do not pull away, rendering a CSR project useless for the company and more so for the community. Thus, companies should try to identify success criteria as defined by all the stakeholders, and to develop a culture of cooperation with their stakeholders by relying on those stakeholders' visions of what there is to gain by such a relationship (Soni 2016). This collaborative, communicative, listening and sharing of decision making is an important feature, one that may be essential to the success of CSR programmes.

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