Institutionalising Corporate Social Responsibility for Local Community Development: Processes and Outcomes

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Abstract

Although wealth creation is the core aim of corporations, corporate social responsibility (CSR) is increasingly attracting critical attention particularly due to the impact of business activities on communities and the environment. Among others, it has been noted that strategic planning influences the scale of CSR. This study aimed at assessing the institutional frameworks necessary to spur CSR in relation to community development. The study adopted descriptive and classical experimental methods in assessing the processes and outcomes of CSR interventions of Gold Fields Ghana Ltd, a leading mining company operating in Ghana. The study established that properly instituting corporate social responsibility (CSR), such that it is well structured with appropriate leadership, planning and financial input can result in considerable contribution to community development.

Keywords: Corporate social responsibility, processes, outcomes, planning, community development

1. *Introduction*

Stakeholders of corporations vary, and may change overtime (Elias, Cavana and Jackson, 2000). By offering space for such businesses, the community remains a perpetual stakeholder so long as the business survives. Albeit stakeholders abound, including shareholders, employees and their families, managers, the government, suppliers and consumers, business partners, etc., there appears to be increasing emphasis of corporate social responsibilities (CSR) on the development of the local economy (Thorpe, 2011; Owusu-Manu, Badu and Otu-Nyarko, 2010; Fox, Ward and Howard, 2002). Seeking permit for logging in Ghana, for instance under the Timber Resources Management Act 1998, requires the company to secure a "Social Responsibility Agreement" with the customary owners of the land, and that should include a pledge of specific contributions to local *community* development (Fox, Ward and Howard, 2002).

CSR has been criticized on grounds that it distracts businesses from meeting the primary goal of profit making, and that business lacks the legitimacy and competency to take on any such responsibility outside its primary area of expertise (Henderson, 2001). On the contrary, proponents of CSR contend that the massive increase in business power, the widespread incidence of corporate misdemeanours, issues of ethics and the increasing inability of governments to meet the basic responsibility to society as well as regulate business activities have meant that the acceptance of social responsibility by business is both inevitable and a necessity (Carroll, 1991; Bowie, 1991; Moon, 2001). This response to critics resonate the notion of applying CSR for community development, in that, CSR can complement the effort of governments in meeting the basic needs of societies. Again, the business is able to gain from CSR in terms of better reputation and risk management, and the ability to extend into new markets. A study has shown that key benefits of CSR to the business include higher sales, reduced costs and lower risks, enhanced reputation, strengthened human resources and improved access to capital (Forstater et al., 2010).

Various corporate social responsibility interventions have emerged which reflect local business culture, issues and drivers of change. About three generations of CSR have been identified.

The first group is primarily characterized by ad hoc responses to social and environmental issues and challenges threatening businesses. Such social responsibility interventions are generally in response to pressure from the local environment. These are mostly uncoordinated and have virtually no link with corporate existence of the business. The second category comprises companies taking a more professional approach to impact assessment, defining commitments and targets, measuring and reporting on performance. This group recognizes the effect of business operations on the environment, and thus takes proactive commitments towards addressing them. The last group aligns business strategies toward sustainable development (Forstater et al., 2010).

The last two generations of CSR have witnessed introduction of planning imperatives. Meanwhile, scholars have recognized the relevance of strategic planning in addressing stakeholder expectations. Through an active analysis of the environment, for instance, businesses can account for issues of government regulations, social nature, communities and societies, and develop proper responses (Sabir et al, 2012). Thus, businesses are better able to provide CSR to stakeholders through strategic planning. This forms the basis for this study.

Community development can better be achieved when CSR is built into the corporate existence of the business, and that proper institutions or framework are clearly laid out. In fact, it has been noted that companies which systemically analyze environmental conditions, allocate resources for planning and assure functional integration to address both market and non-market issues, increase the scale of CSR (Sabir et al, 2012). Evidently, the case of Gold Fields Ghana Ltd, a mining company in Ghana, offers interesting insight into the proposition that strategic planning results in effective CSR, which in turn leads to community development.

The company, through its Foundation, prepared a five year strategic plan (2002 – 2011) aimed at implementing CSR in 16 stakeholder communities. By 2012, the plan implementation had ended and an infrastructure impact assessment was conducted. This paper therefore assesses the institutional arrangements, planning and implementation processes, sustainability and outcomes of the CSR in relation to community development. It argues that a well planned, financed and implemented CSR, regardless the magnitude, has the potency of contributing to community development. And that, with proper plans for CSR, partnerships can be built with local development authorities for sustainability of projects. With these, the paper makes valuable contribution to the literature regarding a clear institutional arrangements, processes and outcomes of CSR for community development. Another contribution of this paper is that it completes the Gold Fields' CSR example already mentioned in the literature (Forstater et al, 2010) while it was still under implementation. This paper thus fills the gap by linking the processes of the company's CSR interventions with outcomes.

2. Csr, Mining And Community Development

Corporate social responsibility (CSR) emerged in the 1950s (Carroll, 1999; Carroll and Beiler, 1977; Bowen, 1953 cited in Garriga and Mele´, 2004) but it remains an emerging and elusive idea for academics, and a contested issue for corporations and stakeholders mainly due to the divergent definitions (Welford, 2004). The literature shows there is no single definition of CSR. A compilation of definitions by individuals and organizations found seventeen definitions different in wording and focus (Kakabadse, Rozuel and Lee-Davies, 2005). However, it appears clearly in majority of these definitions that CSR relate to activities businesses execute to ensure sustainable use of the environment as well as 'caring for people', as used by Novo Nordisk (2003). Since the 1950s, the concept has evolved from stakeholder model and social responsibilities of business people to management field or integration into management theory (Kakabadse, Rozuel and Lee-Davies, 2005).

The foregoing indicates that the boundaries of CSR is not definite. It means something, but not always the same thing to everybody (Garriga and Mele´, 2004). Attempts have been made to delineate the boundaries (Frederick, 1998; Wood, 1991; Altman, 1998). Garriga and Mele´ (2004) classified CSR theories and related approaches with the assumption that these focus on one of economics, politics, social integration and ethics. Based on this, CSR was classified into four: instrumental, political, integrative and ethical theories or approaches. The instrumental group recognizes that corporations are instruments of wealth creation and that CSR is a mere means to an end. The political group includes corporations responding to CSR as a result of their social power in relation to the political arena. The integrative group captures businesses providing CSR due to the dependence on the society for continuity and growth. Thus, CSR must be integrated into business operations because of the survival of the business. Lastly, the ethical group of CSR is based on the fact that the relationship between business and society is embedded with ethical values.

This makes corporations accept social responsibilities as an ethical obligation above any other consideration. Much of these categorizations appear clearly in areas, such as developed countries, where CSR has been properly defined and structured in terms of legislations and role of governments (UN, 2007).

Globally, sustainable development concerns requiring CSR among corporations are enshrined in international agreements such as the Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the International Labour Organisation (ILO) Tripartite Declaration on Principles Concerning Multinational Enterprises and Social Policy, and the United Nations Global Compact. These compel corporations, especially larger ones, to assume certain social responsibilities.

Ghana, like most sub-Saharan Africa and developing countries in general, is still evolving regarding national perspectives and commitment of corporations to CSR. There appears not a comprehensive document on CSR in Ghana. However, there are a variety of policies, laws on various sectors such as mining, etc, practices and initiatives that together provide some guidelines for CSR interventions (Atuguba and Dowuona-Hammond, 2006).

The seemingly lack of clear-cut CSR policy for Ghana is critical particularly in the mining sector where the operations sometimes dislocate not only the economic structure, but also the socio-cultural fabrics of communities. It has been noted that the most environmentally and socially disruptive business undertaken is the exploration, extraction and processing of minerals. Yet in Ghana, all mining activities account for an area of 31,237 km^2, representing a share of about 13.1% of the country's total land area resources (Amponsah-Tawiah and Dartey-Baah, 2007). The dire impact of mining operations on poverty and sustainable development has been bemoaned (Boon and Abaidoo, 2009). Contrary, the mining companies have argued that in developing countries like Ghana, poverty is generally pervasive in many mining and non-mining communities, and that the presence and operations of mining companies in local communities do not really cause poverty and vulnerability (Boon and Abaidoo, 2009).

Notwithstanding, mining contributes significantly to the Gross Domestic Product (GDP) and foreign exchange earnings. In terms of contribution to national income and foreign exchange, mining accounts for 5% of the country's GDP and minerals make up 37% of total exports, of which gold contributes over 90%. Ghana also produces 10% of the world's gold and ranks second in African production. In addition, mining companies under Ghana Chamber of Mines (GCM), employs over 17,500 people (Boon and Abaidoo, 2009).

One argument put forward by the GCM regarding the mining companies and poverty in communities is that, they make social investments in stakeholder communities and that contribute to improving the well-being of people and facilitating community development. Caution must however be taken in order that mining companies do not become surrogate government (Boon and Abaidoo, 2009). This study is situated in this milieu. This study attempts to investigate the institutions or frameworks that allow for effective CSR interventions which can contribute to meaningful community development. The experience of Gold Fields Ghana Ltd presents insightful case for examining this issue.

3. Research Methods And Approaches

3.1 Research design

The paper combines descriptive and classical experimental methods (the before and after scenario) to understand, in entirety, processes and outcomes of CSR for community development. The processes, that is, institutional arrangements, plans and implementation of projects, were assessed more descriptively. However, the outcomes of implementing the CSR in relation to community development were approached using the 'before' and 'after' method for each infrastructure (example education, health, water and sanitation, etc). Additionally, a set of impact indicators were generated and were assessed by the respondents with a scale ranging from 'very good' to 'very bad'.

3.2 Data types and survey methods

Data were obtained from primary and secondary sources. Reports and expenditure statements obtained from the company served as the main secondary materials used to describe the processes. Focus group discussions and key informant interviews were conducted with project officials of the company, local authorities, and household questionnaire administration to obtain full description of processes and impact of the CSR interventions.

In all, a sample of 990 households was interviewed in the 16 stakeholder communities in Damang and Tarkwa mining sites of the company. As a result, both qualitative and quantitative data were collected and analysed.

3.3 Data analysis

The 990 answered questionnaires were quantitatively analysed using the Statistical Package for Social Sciences (SPSS). This allowed cross tabulation and other statistical analysis of responses obtained for 'before' and 'after' situation of each impact indicator. An impact level was determined based on the number of responses for an indicator under 'before' in relation to 'after' interventions of the company. In the impact analysis, for there to be improvement, the situation for an indicator (as the responses depict) in relation to 'after' must be *better* than that of 'before'. The qualitative data analyses enriched the overall analyses.

3. 4 Profile of study areas

Gold Fields Ghana Ltd. is located in the Western Region of Ghana. The concession of the company covers two sites; Tarkwa and Damang, with the sixteen project communities (see Fig. 1). The two sites fall within two local government jurisdictions; Tarkwa-Nsuaem Municipality and Prestea-Huni Valley district. The two are located between Latitude 4^0 0'N and 5^0 40'N and Longitudes 1^0 45' W and 2^0 10'W. It is bounded to the north by the Wassa Amenfi East District, the south by the Ahanta West District, the West by the Nzema East Municipal and the East by Mpohor Wassa East. The municipality and the district have a total land area of 2,354 sq. km. It has about 8 urban centres and over 456 rural communities.

The 2010 Population and Housing Census recorded a total population of 249,781 and a growth rate of 2.97 percent for the two districts. Male to female ratio was 103:100. Labour force, population within the ages of 15-64 constituted 70.1 percent, which is far higher than that of regional and national figures of 53.1 and 52.2 percent respectively. This is possibly due to the mining related activity in the study areas which is male dominated.

In terms of infrastructure, the study areas have a total road network of 627.1Km. Part of the road network is very poor, while some parts are being improved upon. For example, the Tarkwa – Bogoso trunk road is very poor but the Apemanim–Tarkwa Road (62km) is being asphalted. For effective health delivery, the area is demarcated into seven (7) operational health sub-districts with at least one health facility to facilitate accessibility. The District also has a number of private clinics and maternity homes, which support the few public health facilities. The areas have a total of 371 public basic schools comprising the various levels, that is, primary, secondary and vocational/technical.

The economy of the study areas is dominated by agriculture, mining and service. Mining activities started in the study areas long before the Geological Survey Department was established in 1913. Irrespective of the scale of mining in the study areas, the predominant economic activity is agriculture, employing over 40 percent of the people. However, female population engaged in agriculture is estimated to be 70% of the total farmers due to high dominance of male in mostly illegal mining related activities called 'galamsey' and other non-agriculture related activities. One challenge is that mining concessions take up agricultural land, which displaces farmers from their livelihoods. This makes a planned, sustainable corporate social responsibility a critical issue for mining companies in the areas.

4. Results And Discussion

The data obtained from the surveys were analysed in relation to the objectives of the study. The processes include formation of the Foundation, plan preparation and financing of projects whereas the outcomes comprise the impact assessment and community participation and sustainability of projects.

4.1 Formation and composition of Gold Fields Foundation

Prior to the formation of Gold Fields Foundation (called the Foundation), social responsibility towards community development was ad hoc – much dependant on community request and availability of funds. This persisted for at least thirteen (13) years beginning from 1993. In 2002, the Gold Fields Trust Fund was established, which was later registered as the Gold Fields Foundation in 2004.

The Foundation is recognized as a Non-Governmental Organization (NGO) and registered charity under the Department of Social Welfare of the Government of Ghana, and enjoys tax exempt status. The activities of the Foundation are governed by the applicable laws of Ghana, including the Trustees (Incorporation) Act, 1962 (Act 106).

As per the Act, the Foundation has a Managing Trustee, who is the governing body and is responsible for administering it in accordance with the terms and conditions of the Trust Deed and applicable legislations in Ghana. The Managing Trustee is composed of top-level managers of the company and other high profile people including vice President of Gold Fields West Africa, executive director of the company, managers of the two mining sites, members of parliament, Chief Executive Officer (CEO) of Chamber of Mines, as well as the Company Secretary of the company who is also the secretary of the Foundation. In fact, the high calibre personnel steering the affairs of the Foundation indicates on one hand, the company's high commitment to CSR (GTZ, 2009) and on another, how integral CSR is to the overall objective of the company. Clearly, the Foundation's mission is to promote and facilitate sustainable socio-economic development in its operational areas in order to improve the quality of life in Ghana.

4.2 Preparation, projects appropriateness and implementation of the plan

With the foregoing institutional arrangement for funding, the company prepared a comprehensive plan in 2005 which sought to improve the livelihoods and the quality of life of 30 000 poor, vulnerable men, women and children in 16 stakeholder communities of the company by 2010. The plan, called Sustainable Community Empowerment and Economic Development (SEED) was to be implemented over five year period. It was prepared and executed by Opportunities Industrialisation Centres International (OICI) Ghana in partnership with the company.

OICI Ghana provided technical assistance basically in three ways: assessment of baseline socio-economic status of stakeholder communities; initiation and preparation of five-year Community Development Plan (CDP) including detailed implementation plans, associated budgets, and monitoring and evaluation Plans; and training modules for company staff in charge of the programme, community groups and leaders. OICI utilized participatory methodologies to develop the CDPs. Small OICI technical teams composed of specialists in agronomy, micro-enterprise development, agribusiness, micro-finance, water and sanitation, health and education reviewed background information, conducted surveys in communities and consulted with community members, district officials, and conducted interviews and workshops with GFG staff. The design team of OICI then elaborated a more detailed project proposal which includes a breakdown of specific activities, or mini-projects, a monitoring and evaluation plan, detailed implementation plan, schedule and budget, etc. Table 1 shows summary of strategic goals covering various aspects of community development and some projects outlined for implementation.

The five year CDPs were detailed with specific projects to be implemented in each stakeholder community as well as implementation strategies and activities. The projects were based on community needs. During implementation however, the community leaders were involved in various aspects of the projects including site selection. Clearly, the CDPs did not remain on shelves as some plans do (Afrane and Adjei-Poku, 2013).

In terms of appropriateness of projects, all the different types of infrastructure projects implemented in the communities reflected the felt-needs of the beneficiary communities. The livelihood projects for instances were appropriate since the company disallowed mining activities called 'galamsey' in the concessionary. Again, the projects reflected the policy objectives of the Tarkwa-Nsuaem Municipality and Prestea-Huni Valley District Assembly and the central government, as well as the UN's Millennium Development Goals.

4.3 Financing community development projects

Funding for socio-economic development projects undertaken by the company is provided by US$ 1 of every ounce of gold produced and 0.5% of pre-tax profits from the Gold Fields group of companies. Other mining companies have similar arrangement. For instance, Golden Star Resources (GSR), another mining company in Ghana contributes to community infrastructure development through the Golden Star Development Foundation by contributing of US$ 1 per ounce produced plus 0.1% of pre-tax profit (Thorpe, 2011). This underscores the Gold Fields Foundation interest in raising huge funds for community development. The total amount of funds generated through the Foundation was not disclosed. This is so with many companies particularly in sub-Saharan Africa, where such information is withheld usually on grounds of confidentiality (GTZ, 2009). However, in the case of Gold Fields Ghana Ltd., records of expenditure available on community development primarily before and after the SEED programme indicate that between 2002 and 2011, the Foundation spent above GH¢15 million (about US$7.5 million) as Table 2 shows.

Education and economic livelihood projects appeared to be the top priorities, each receiving more than a quarter of the total expenditure. Over 30 percent of the total expenditure went into educational projects such as construction of classroom blocks, teacher's bungalows, libraries, supply of furniture and awarding scholarships. These were done in all basic, second cycle and tertiary institutions. Closely, 26.1 percent of the total expenditure went into livelihood programmes such as installment of processing plants, provision of seedlings, credit facilities, building partnerships, etc.

The next major items of expenditure were projects on water and sanitation, and road construction which comprised 15.2 and 14.7 percent respectively. Water and sanitation projects included construction of boreholes, small water systems, toilet facilities and refuse disposal sites. Projects on water especially became critical since mining activities in the area was perceived to have contaminated the water bodies. This effort was complemented by the health projects (7.8%) which included construction of healthcare facilities, health education, etc. Social projects such as community centres were the least item of expenditure, accounting for 5.4 percent of the total expenditure.

Community development combines physical development with the development of people (Siddiquee, 1995; Wallerstein, 1993). The expenditure pattern on these projects suggests the extent to which community development was at the centre of the SEED programme. Also, high expenditure on these projects was strategic. Thus, in the long run, it was expected that incidence of 'galamsey' on concessionary mining areas of the company would reduce.

4.4 Impacts of infrastructure projects

An impact assessment of infrastructure projects of the company was conducted in 2012. The study, among others, sought to a*ssess whether project outputs/results have translated or will translate into real benefits (impacts) to residents in the 16 primary stakeholder communities.* In each sector, indicators were developed for change in access and translation into impacts in relation to 'Before' and 'After' the company's CSR interventions in the communities. The study captured mainly infrastructure projects meant for the entire community. For purposes of this paper, the impact of educational infrastructure projects have been emphasized for illustration, and a cursory assessment of the other projects have been presented.

Education is a necessary ingredient for community development. Accordingly, the company spent over GH¢4.6 million, representing 30.8 percent. This investment in education resulted in improved access to, among others, classrooms and teachers as shown in Table 3.

The corresponding impact of the increased access to education included enrolment, academic performance and attraction of students to school. The 'before' and 'after' responses clearly indicate that under each indicator, there has been significant improvement. For instance, 64.5 percent of the respondents indicated that classroom conditions were bad in the 'before' situation. However, after the intervention, only 1.5 percent of the respondents maintained that classroom conditions were 'bad'. On the other hand, responses for 'very good' (1.0%) in the before situation have increased substantially to 34.6 percent in the 'after' situation. This trend is similar in the other indicators. Again, enrolment data collected from some of the schools indicated that on the average, enrolment levels have increased by about 40 percent following educational infrastructure projects executed by the Foundation.

The impacts of health, water and sanitation, social and road infrastructure were not any different from that of education. Under each indicator used, the respondents reported that there had been considerable improvement in the 'Before' and 'After' analyses. For instance, for water and sanitation, it was observed that responses for access, adequacy and reliability of water and toilet facilities had increased by at least 28 percent in the before and after analysis. This improvement resulted from small water systems, boreholes and toilet facilities which were provided in various communities serving not less than 15 000 people. That of social infrastructure such as community centre (with information and entertainment systems) was impressive. Such projects had resulted in lifting community image, solidarity, awareness and social functions. Before interventions of the company, conditions of the above indicators which were 'good', recorded 33 percent. After the interventions however, this improved to over 60 percent. Thus, it appears quite clear that the infrastructure projects have contributed to development of the stakeholder communities.

4.5 Community participation and sustainability of Projects

The relevance of involving community members in development projects has been stressed in a number of studies (Abott, 1995; Cook, 1994; Arnstein, 1969). Regarding development projects implemented by the company, only community leaders were involved at certain stages, especially choosing projects, selecting site and in limited cases, maintenance of facilities. The wider community was not involved except when contractors of projects hired them as laborers. However, the community members could easily identify with the projects implemented by company. This was due to the frequent announcement of projects being implemented through the information systems at the community centres. As a result, information was disseminated for awareness creation mainly. This level of community participation, according to Arnstein's hierarchy of participation, can be described as 'tokenism' which only informs people about decisions already taken. Tokenism is the middle level as compared to 'citizen power', the highest level of participation where community members are seen as partners and have control over management and functioning of projects (Arnstein, 1969).

Project sustainability was to be achieved in at least three major ways: handing projects over to the respective government agencies; training local people capable of performing regular maintenance on projects such as boreholes and small water system; and lastly getting the community to accept and patronize the facility through the leaders. These arrangements were not fully effective for a number of reasons. First, most of the facilities were utilized free-of-charge so there was neither cost recovery nor funds for maintenance. As a result, the company had to carry the additional burden of financing repairs and maintenance of projects, especially water and sanitation. This is partly due to unavailability of specific alternative arrangement for maintenance in the plan in case the transfer of maintenance responsibilities to the government agencies did not work out perfectly. Also, non-involvement of the ordinary community members in the decision making and implementation processes created a sense of dependency and paternalism as the company was seen as the 'provider' instead of a 'partner'. This confirms the idea that community participation is essential in ensuring sustainability of projects (Cook, 1994).

5. *Key Success Factors And Implications For Community Development And Csr*

With the exception of the 'partial' participatory approach the company adopted, the entire idea – processes and measuring outcomes were purposeful and worthy of learning from. Working mainly through the community leaders somehow limited the extent to which the community members accepted and owned the projects. Nonetheless, the community members were able to associate with the projects and could attest to the impacts on various aspects of their lives.

Notwithstanding this drawback, the projects were largely successful, but what account for the success? In short, what are the success factors? These are presented below with specific implications for community development and CSR.

1. The first critical success factor was the ability of the company to link CSR to its corporate strategic existence. From the onset, the company made sustainable development a "corporate priority" and is striving to integrate it as a core thrust in its strategic and operational planning processes. As a result, CSR took centre stage in its approach to sustainable community development. This is because one way of triggering CSR is integrating it into strategic plans. This implies that corporations can best meet CSR when it is integrated into its corporate strategic plans since managers often show more commitment to planned expenditures or budgets. Also, as long as companies are able to make CSR a part of their existence, and that are captured in their plans, local development authorities can explore the opportunities to harness them for effective community development. Admittedly, this is a grey area which requires further studies to explore the fuller possibilities.
2. The company also made CSR a duty of top-level management personnel in the organization as well as personalities of notable organizations. For instance, vice President of Gold Fields West Africa, executive director of the company, members of parliament, CEO of Chamber of Mines are part of trustees of the Gold Fields Foundation, the non-governmental organization established purposely for administering CSR in stakeholder communities. This is significant because the calibre of personalities in charge of CSR can determine the scale and the extent to which resources would be committed.

   It has been observed that in most cases in Africa CSR is considered an auxiliary activity usually attached to a department such as human resource, marketing or public relations (GTZ, 2009). In the case of Gold Fields, CSR has been accorded a prominent attention, manned by high profile personnel.

Impliedly, companies wanting to be committed to CSR should treat it as a distinct department and make it a responsibility of at least one or two top-level management personnel. Such personnel may have oversight responsibility for that CSR department and would ensure that adequate financial resources are available for the operations.

3. Next, the formation and registration of the Gold Fields Foundation as an independent body was commendable, and it contributed to the extent of revenue mobilization and expenditure on CSR. The Foundation had a board which governed its activities. Put differently, funds generated by the Foundation could not be appropriated for any other purpose except those sanctioned by the board in line with the specific objectives of establishing it. Undoubtedly, this contributed to the scale of CSR activities in the communities. The implication is that corporations can show commitment to CSR activities in the communities by establishing a body somewhat autonomous which has the authority to spend on CSR guided by its own board. Also, it clearly defines the sources of funds for CSR activities. This definitely demonstrates a high commitment to CSR.
4. It has also been noted that the company, in conjunction with OICI, prepared and implemented a programme called SEED which included community development plans (CDPs). The plan prepared put all the CSR activities into perspective. It helped in clearly linking the problems with development needs and goals of communities. It appears that this influenced the range of CSR interventions covering virtually every sector of the local economy. Again, although projects such as construction of health centre, etc. demanded huge funds, they could be phased out within the plan period. This means corporations can plan CSR in such a way that implementation can be phased out, even if such interventions require large funds. Also, planned CSR interventions can meet community needs better than ad hoc philanthropic gestures.
5. Lastly, the company sought to ensure sustainability of projects from three angles: continuous monitoring and evaluation of projects; handing over projects to respective local development authority; and involvement of community leaders and identified groups such as women, youth, etc. Of these, it appeared that the last two options did not work out well. As a result, the company continued to support maintenance and management of these projects. The reason is that, unfortunately, the community members appeared alienated from the projects. This means that corporations should endeavor to make the community members own the project and that they must ensure sustainable use of the projects.

6. Conclusion And Recommendations

The study has established that properly instituting corporate social responsibility (CSR), such that it is well structured with appropriate leadership, planning and well defined sources of funding, can result in considerable contribution considerably to community development, and by extension, the satisfaction of stakeholders. This conclusion is amply evident in the processes and outcomes of CSR interventions undertaken by Gold Fields Ghana Ltd. The company instituted a number of factors which spurred the scale of CSR interventions and consequently contributing to community development. Among others, the company was able to identify CSR with its corporate existence thereby capturing it as a strategic goal of the organization. Again, the mandate of ensuring execution of CSR programmes was assigned to top-level management personnel as well as personalities of notable organizations. Also, a long-term plan covering five years was prepared with detailed activities and implementation strategies. This encouraged the execution of projects such as health centres since implementation had to be on phases. Another crucial factor was the formation and registration of the Gold Fields Foundation as an independent body with the authority to utilise funds according to the direction of its own board. This occasioned uninterrupted expenditure on CSR interventions in the stakeholder communities.

Nonetheless, there were some defects with the processes. The strategies of ensuring community participation and sustainability of projects were less effective partly due to non-involvement of the entire community. It appeared the company adopted only a ‘partial’ participation where mainly community leaders were involved at various stages of project execution. Also, facilities such as water and toilet were accessed free-of-charge resulting in lack of funds for maintenance. This subsequently affected project sustainability since the company appeared more as a “provider” rather than a “partner”.

Accordingly, it is recommended that the community members should be well integrated into the planning and implementation phases. Also, adequate and alternative maintenance arrangements should be put in place as part of the plan to ensure sustainability of the projects.

Although wealth creation is the core aim of corporations, CSR is increasingly attracting critical attention particularly due to the impact of business activities on the environment. The scale of CSR investment depends on a number of factors, including the size of the corporation and the extent to which it is integrated into corporate plans and strategies. Accordingly, this study contributes to the latter by showing the processes of instituting CSR into the corporate fabric, and the resultant outcomes. With the appropriate institutional framework as this study has demonstrated, corporations are more likely to be committed to CSR, allocate substantial funds for it, and increase the scale of interventions. Similarly, local development authorities could capture the CSR activities into their medium-term plans to ensure the pursuit of common goal and sustainability of projects.

In sum, this study holds that a well planned and implemented CSR interventions, irrespective of the scale, possess ample potential in contributing to sustainable community development, and this paper makes insightful means to this end.

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Tables and Figures

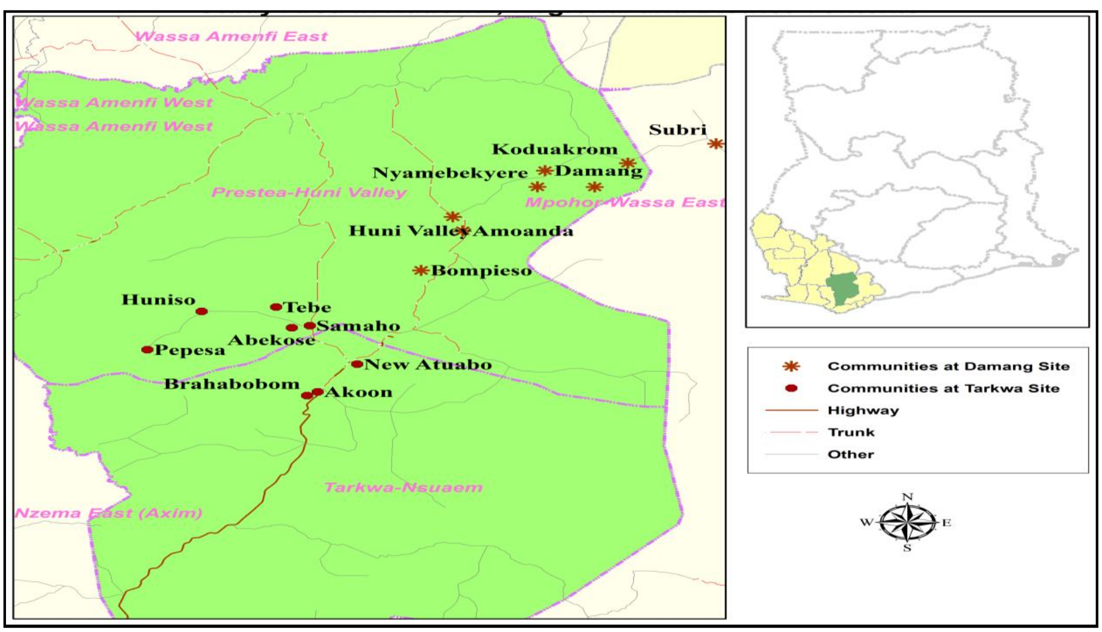

Fig. 1: A map showing study areas

Table 1: Summary of goals and projects/activities of CDPs

Sector	Strategic goals	Projects
Economic livelihood	To increase income and economic opportunities 4000 households in 16 primary stakeholder communities.	Cash crop production (oil palm, cocoa); vegetable production (bio-intensive gardening); animal production (poultry, fish, snail, beekeeping), etc.
Enterprise development		Oil palm processing; cassava processing; soap making; Provision of micro-credit using group lending.
Health	To improve the health status 30,000 people living in the 16 primary stakeholder target communities.	Construction/upgrading of clinics/health posts; provision of first aid kits at communities; health education, etc.
Water and sanitation		Construction of boreholes, small water supply systems; formation of water and sanitation committees;
Education	To improve the level of education and livelihood skills of 5000 youth and adults in the 16 primary stakeholder communities.	Construction of appropriate housing for teachers; construction of classroom blocks; provision of scholarships; non-formal education; etc.
Sustainability of CDPs	To increase the Sustainability of the CDP interventions for long-term results and impact and to increase the GFG's social license to operate in the district.	Sustainability monitoring and evaluation; collaboration with Regional Administration, District Assembly, Ministries, local and international NGOs, etc.

Table 2: Expenditure on community development projects

Sector	Tarkwa mine		Damang mine		Total	
	Exp.* GH¢'000	**%**	**Exp. GH¢'000**	**%**	**Exp. GH¢'000**	**%**
Economic Livelihood Prog.	2 971	19.8	952	6.3	3 923	26.1
Education	2 942	19.6	1 688	11.2	4 630	30.8
Health	689	4.6	483	3.2	1 172	7.8
Water & Sanitation	1 890	12.6	397	2.6	2 287	15.2
Social infrastructure	676	4.5	136	0.9	812	5.4
Road	1 770	11.8	431	2.9	2 201	14.7
Total	**10 938**	72.9	**4 087**	27.1	**15 025**	100

*To the nearest thousands Exchange rate: Gh¢1 = US$1.98

Table 3: Impacts of Educational Infrastructure

Indicator	% of Respondents Reporting (Before)					% of Respondents Reporting (After)				
	Very good	**Good**	**Bad**	**Very bad**	**Total**	**Very good**	**Good**	**Bad**	**Very bad**	**Total**
Classroom condition	1.0	25.0	64.5	9.5	100	34.6	56.5	1.5	7.4	100
Teacher numbers	1.1	35.6	55.5	7.8	100	25.2	66.5	7.9	0.4	100
Enrolment	1.1	32.0	59.3	7.6	100	32.7	53.8	12.2	1.3	100
Performance	1.8	34.1	57.3	6.8	100	32.2	64.8	2.7	0.3	100
Attraction	1.0	30.4	60.5	8.1	100	31.7	65.3	3.0	0.0	100
Number of respondents: 884										