Is Corporate Social Responsibility an effective intervention for sustainable development?

The case of Canadian mining companies in Burkina Faso

by

Virginia Kanyogonya

A thesis submitted in conformity with the requirements for the degree of Master of Arts

Graduate Department of Adult Education and Community Development

Ontario Institute for Studies in Education
University of Toronto

© Copyright by Virginia Kanyogonya 2016
Is Corporate Social Responsibility an effective intervention for sustainable development?

The case of Canadian mining companies in Burkina Faso

Virginia Kanyogonya
Masters of Arts
Department of Adult Education and Community Development
University of Toronto
2016

Abstract

Quite a number of Canadian mining companies claim that their corporate social responsibility (CSR) efforts can contribute to sustainable development (SD). However, several studies suggest that CSR initiatives in Africa are yet to make a significant, long-lasting socio-economic contribution. This research focuses on six Canadian mining companies operating in Burkina Faso, a country in West Africa that has recently become a hotspot for gold extraction.

By employing a qualitative content analysis method to analyze companies’ archives and other textual sources available within the public domain, through the theoretical lens of economic democracy, this study interrogates whether the current neoliberal CSR framework is an effective intervention to address Burkina Faso’s socio-economic challenges. The findings from this research reveal the contradictions between stated CSR intentions and the mining companies’ priorities, thus making noteworthy contributions to literature that investigates CSR and sustainable development in Africa’s natural resource sector.
Acknowledgements

This thesis has, without a doubt, been a labour of love. It had its ups and downs with moments when I felt completely stuck and other moments of real clarity. With time, I came to appreciate these different phases of my research journey as they provided periods of reflection which led to honest conversations with a number of individuals who supported me throughout.

I would therefore like to firstly acknowledge with great appreciation my supervisor Dr. Sherida Ryan for her kind support, constructive feedback and encouragement. In the beginning, when I found it challenging to narrow down my research, Sherida’s advice and guidance gave me the assurance that it would all eventually come together. I will forever be grateful to Sherida for supporting and believing in me.

I would like to secondly acknowledge Dr. Kiran Mirchandani for her kind generosity while I was at OISE. Kiran provided me with great feedback on my very first proposal and also regularly forwarded me resources which were relevant to my thesis during my two years of study. I am extremely grateful and thankful for her invaluable support. In the same vein, I will never forget the deeply insightful feedback I received from Dr. Jack Quarter and Dr. Lance McCready on my thesis proposal. I am humbled and wholeheartedly appreciative of the time they spared on my behalf. And, of course, I cannot thank Dr. Uwa Idemudia enough for his wealth of knowledge on CSR in Africa. My research is richer for it.

Additionally, I would like to thank Tracey and Nimo for granting me a flexible work schedule during busy academic periods. And I also wish to express appreciation to my colleagues for their encouraging words throughout this process.
Without a doubt, I have been blessed with an incredible support system. During times when I was overwhelmed with juggling work and school obligations, my family and friends were extremely understanding when I was unable to give them my full attention. My incredible Aunt Wyn, dearest Aunt Stella, Josh, my cousins, Booties and Budidi, and my Uncles Tim and Albert were always a sure source of support and encouragement. Words are not enough to express how much I appreciate your unconditional love. Finally, my dearest friends, Umwali, Samira, Imanzi, Angie, Nahid, Ronnie and Nana for our long conversations on politics and social issues, but also for the fun and laughter. Thank you for believing in me and thank you for providing me with a safe space for reflection.

Above all, I give thanks to my Creator for protecting and guiding me along life’s journey.
# Table of Contents

Abstract ....................................................................................................................................... ii  

Acknowledgements ......................................................................................................................... iii  

Table of Contents ............................................................................................................................... v  

List of Figures and Tables ................................................................................................................... vii  

List of Appendices ............................................................................................................................ viii  

Dedication .......................................................................................................................................... ix  

Acronym guide ................................................................................................................................. x  

Chapter 1: Introduction ....................................................................................................................... 1  
  1.1 Rationale and theoretical framework ....................................................................................... 9  
  1.2 Research questions .................................................................................................................... 10  
  1.3 Situating myself as a researcher .............................................................................................. 11  
  1.4 Organization of thesis .............................................................................................................. 15  

Chapter 2: Literature review ............................................................................................................. 16  
  2.1 Capitalism vs. economic democracy ....................................................................................... 16  
  2.2 An overview of Corporate Social Responsibility (CSR) ....................................................... 19  
  2.3 Visser’s ages and stages of CSR ............................................................................................. 22  
  2.4 CSR in the mining industry: Rhetoric or reality? ..................................................................... 30  
  2.5 Brief overview of the mining life cycle .................................................................................... 34  
  2.6 CSR and development in Africa ............................................................................................... 36  
  2.7 Do governments have a role to play in shaping CSR? .............................................................. 38  
  2.8 Canada-Burkina Faso trade and investment relations ............................................................. 42  
  2.9 Notable highlights of pre-colonial and post-colonial Burkina Faso ........................................ 45  
  2.10 Some factors limiting CSR in Africa ...................................................................................... 50
2.11 Summary ........................................................................................................................................ 53

Chapter 3: Methods .................................................................................................................................. 55

3.1 Qualitative content analysis .................................................................................................................. 57

3.2 Sampling criteria ..................................................................................................................................... 58

3.4 Data analysis procedures ....................................................................................................................... 59

Chapter 4: Findings ....................................................................................................................................... 63

4.1 How do the six Canadian gold mining companies in Burkina Faso perceive their CSR practices? Highlighting the contradictions. ......................................................................................................... 63

4.2 An overview of the CSR stages of the six companies and conclusions from the analysis . 77

Chapter 5: Discussion ...................................................................................................................................... 83

5.1 Conclusion ................................................................................................................................................ 83

5.2 Limitations of the study and directions for further research ..................................................................... 84

References ..................................................................................................................................................... 86

Appendix A: Coding scheme .......................................................................................................................... 105

Appendix B: An example of how the results were organized ......................................................................... 109
List of Figures and Tables

Figure 1: Shell and Bolton International job advertisement .......................................................... 6

Table 1: The ages and stages of CSR............................................................................................ 23
Table 2: Selected Canadian gold mining companies operating in Burkina Faso ....................... 59
Table 3: Companies CSR commitments ...................................................................................... 63
Table 4: Overview of CSR stages of the six companies .............................................................. 77
List of Appendices

Appendix A: Coding scheme 105
Appendix B: An example of how the results were organized 109
Dedication

To Mom and Dad, my guardian Angels
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASM</td>
<td>Artisanal and small-scale mining</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>CTJ</td>
<td>Citizens for Tax Justice</td>
</tr>
<tr>
<td>CVS</td>
<td>Creating Shared Value</td>
</tr>
<tr>
<td>ECA</td>
<td>Economic Commission for Africa</td>
</tr>
<tr>
<td>ESIA</td>
<td>Environmental and Social Impact Assessment</td>
</tr>
<tr>
<td>EITI</td>
<td>Extractive Industries Transparency Initiative</td>
</tr>
<tr>
<td>ESG</td>
<td>Environmental, social and governance</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>FIPA</td>
<td>Foreign Investment Promotion and Protection Agreement</td>
</tr>
<tr>
<td>FPIC</td>
<td>Free Prior and Informed Consent</td>
</tr>
<tr>
<td>GFI</td>
<td>Global Financial Integrity</td>
</tr>
<tr>
<td>ICMM</td>
<td>International Council on Mining &amp; Metals</td>
</tr>
<tr>
<td>IFF</td>
<td>Illicit financial flow</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>JSI</td>
<td>Jantzi Social Index</td>
</tr>
<tr>
<td>KPCS</td>
<td>Kimberly Process Certification Scheme</td>
</tr>
<tr>
<td>LSM</td>
<td>Large-scale mining</td>
</tr>
<tr>
<td>MD&amp;A</td>
<td>Management Discussion and Analysis</td>
</tr>
<tr>
<td>MNC</td>
<td>Multinational Corporation</td>
</tr>
<tr>
<td>ROI</td>
<td>Return on investment</td>
</tr>
<tr>
<td>SAPs</td>
<td>Structural Adjustment Programs</td>
</tr>
<tr>
<td>SRI</td>
<td>Socially Responsible Investing</td>
</tr>
<tr>
<td>UPE</td>
<td>Universal Primary Education</td>
</tr>
</tbody>
</table>
Chapter 1: Introduction

“For millions, “Africa Rising” will remain a mirage until policy makers begin to tackle increasing inequality” (Byanyima, n.d., par.10)

Ever since The Economist described Africa as the continent with a promising future in its 2011 print edition, the “Africa rising” narrative has become a much debated topic (Cann, 2014; Hauge, 2014; Rensburg, 2012; “The hopeful continent,” 2011). This narrative suggests that after decades of slow economic growth, the continent has become one of the fastest-growing economic regions in the world (Munang, Mgendi, & Nchu, 2015). The World Bank points out that this economic growth has largely been stimulated by natural resource exports (“More household”, 2014). Interestingly, in 2010, McKinsey & Company (a global consulting firm) noted that the rate of return on foreign investment in Africa was higher than all other developing regions (Leke, Lund, Roxburgh & Wamelen, 2010). It is therefore not surprising that the “Africa rising” narrative has captured the attention of many. That being said, while Africa, particularly sub-Saharan Africa, may be experiencing an unprecedented economic boom, it is important to question what the actual impact of this growth has been. In other words, has this growth been inclusive? The most recent World Bank statistics, indicate that there was a 6% reduction in extreme poverty in sub-Saharan Africa between 1981 - 2011 (“Poverty overview,” 2015). While this reduction is certainly better than nothing, for a continent that has been blessed with an abundance of natural resources, which arguably has benefited the entire world, it is disturbing that over 400 million people continue to live on less than $1.25 a day (“Poverty overview,” 2015). In fact, research demonstrates that the vast majority of Africans have yet to realize the
positive impacts that can be obtained from the proper management of natural resource
development.

According to a former chief economist at The World Bank, “on average, resource-rich
countries have done even more poorly than countries without resources” (“Africa Debate”, par. 3). Similarly, Ross (2004) who looked at thirteen cases of conflicts in resource-rich countries
(Angola, Colombia, Congo Republic, Liberia, Peru, Sudan, etc.) concluded that in five of the
thirteen cases reviewed, resource wealth increased the likelihood of conflict, and in eight of the
thirteen cases, resource wealth contributed to longer lasting conflicts. According to the author’s
findings, oil, minerals and illicit drugs caused more civil wars than agricultural commodities. In
fact, the initiation of the Kimberly Process Certification Scheme (KPCS) in 2003 was an attempt
to address the issue of ‘blood diamonds’ called for the international community to pay serious
attention to mitigating security threats caused by wildly lucrative diamond trade (Wright, 2004).
Given this history, it is not surprising that the recent discoveries of oil in East Africa have
sparked some tension (Alexander & Handjiski, 2015). While it is indisputable that natural
resources have been a key catalyst to economic growth in Africa, this does not suggest that
natural resource development is Africa’s only path out of poverty.

Alinsky (1965) contends that poverty is not just about economic deprivation (i.e. not
being able to afford the basic needs of life), but it is also largely about power. In other words,
when individuals are disenfranchised or do not have the power to influence policies and shape
the future of their communities, this in itself further perpetuates the conditions of poverty. To
illustrate, in a recent feasibility study compiled by a number of consultants to determine the
economic prospects for True Gold Mining, a Canadian mining company with interests in Burkina
Faso, it is interesting to observe how the host community that will be impacted by the Karma gold project are described:

A large portion of the population in the project area is functionally illiterate. The biggest issues facing education are insufficient housing for teachers, poor classroom conditions, lack of water and latrines in some schools, and poverty among the population at large which makes it difficult for people to recognize the value of education. (P&E Mining Consultants Inc., 2014, p.207)

The report goes on to say that “illiteracy and a lack of skills training make the local population less employable while limited investment reduces the opportunities for jobs” (P&E Mining Consultants Inc., 2014, p.220). This kind of thinking is problematic and disempowering for a number of reasons.

Firstly, who gets to define the meaning and purpose of literacy, particularly within the context of a neoliberal world order? I would argue that the language and discernment in the referenced feasibility study does not differ much from the European civilizing mission that occurred in Africa in the 1800-1900s, which similarly described Africans as backwards, unskilled, illiterate and uncivilized individuals who needed to be rescued by Western education and culture. There seems to be no compelling argument to assert that due to the locals’ social conditions (e.g. poverty, unemployment, inadequate health care, etc.), they are in turn unable to “recognize the value of education”. Furthermore, just because one comes from a low-income family, does not mean that one is incapable of recognizing the value of education. Understandably, the more pressing need for individuals living in extreme poverty might be that earning an income takes precedence over attending formal schooling. This should however not be the case. Desai (2015) makes a compelling argument for one possible solution. The author states that after World War II (WWII), the development of social policies such as welfare
programs played a role in improving standards of living in today’s rich countries (Desai, 2015). Hence, investing in public services was what partly helped the citizens of the Global North recover from the aftermath of WWII (Desai, 2015). It therefore does not make sense that African governments are often advised by institutions such as the International Monetary Fund (IMF) and The World Bank to privatize public services especially when the masses are unable to afford private sector healthcare, housing, water, etc. (Lall, 1995; Woods, 2006). Even in developed nations like Canada, out-of-pocket medical expenses do take a toll on low-income families who do not have health care benefits through their work or school (“Canadians spending more”, 2014). This begs the question; how can Africans possibly afford private sector services while living on less than a $1.25 a day?

Secondly, going back to education, True Gold’s feasibility study seems to suggest that there is a particular kind of education required that will ultimately rescue the host community from their plight. So what exactly is the required kind of education? It is pretty obvious that the kind of education described in True Gold’s study is very much tied to labour market outcomes and less about creating meaningful learning experiences that have the capacity to empower communities (Wilkins & Sandlin, 2007). I for one can certainly relate to this limited view of education. When I was growing up in Uganda during the 1990s, I too was unconsciously indoctrinated with the idea that Western education was superior and that it was the only form of education that was bound to prepare me for a well-paying job in the future. A belief that was all too common was that learning English and adopting British etiquette was the ‘proper’ foundation needed to ‘succeed’ in life. I therefore grew up believing that my educational choices had to be aligned with future employment prospects. In other words, I had to live for the market (or what
the market dictated) in order to achieve a viable livelihood; and as I understood it, the British way of doing things was the ‘rightful passage’. It is no wonder that the concept of educational pluralism was not embraced in many Ugandan schools post-independence. As a matter of fact, I recall my peers and I being punished (even spanked sometimes) by our teachers for speaking local vernacular in school, for we were to only speak English while on school grounds. I did not realize it at the time, but upon reflection, I now recognize that, that sense of pride in my Ugandan roots and culture was something that was stripped away when I started formal education.

As Okoth (2012) argues, colonial curriculum of subjects such as “science, technology and medicine, were all taught to produce specialists who worshipped European inventions and advancements and despised African achievements and initiatives” (p. 141). In essence, as colonialism became widespread, Africa’s medical and technological initiatives were eventually considered frivolous, even by the Africans themselves, in turn creating a dependence on European intellectualism (Okoth, 2012). It therefore does not surprise me, as disturbing as it is, that the New Vision (one of Uganda’s leading newspapers) published a job advertisement for Shell and Bolton International in October, 2014 (see Figure 1), that indicated that they were specifically looking for a “foreigner (Indian, Pilipino, White)” candidate to fill an administrative assistant position to work in their Uganda office (Semakula, 2014). While the company’s prejudices (including their age requirements) ought not to be overlooked, it is also important to note that the fact that a government-owned newspaper allowed for the publication of such an advert, is indicative of the much needed “examination of how we [as the formerly colonized have continued] to participate in our own oppression” (Weenie, 2000, p.67). This is by no means a condemnation of Western culture and education. Rather, the point I am trying to make is that it is
important for corporations, politicians and community organizers to think about how their own personal frame of reference influences the assumptions and judgments they make about others, particularly, when making decisions that will ultimately impact communities.

Figure 1: Shell and Bolton International job advertisement

![Shell and Bolton International job advertisement](image)


Similarly, bringing it back to the discussion of how the projected affected stakeholders were described in True Gold’s Karma feasibility study, I cannot help but wonder how this perception of them as well as their own internalized perceptions of their “supposed inadequacy” might impact their full engagement in the mine’s development. As such, the claim by some governments, Multinational Corporations (MNCs) and other technical experts that Africa’s
natural resource wealth will help to alleviate poverty as well as contribute to sustainable development needs to be critically evaluated. The root causes of the lack of sustainable development in resource-rich countries in sub-Saharan Africa such as the disempowerment of individuals, the politics and the history, including ineffective development solutions that are often proposed by technical experts (e.g. structural adjustment policies) are routinely overlooked by both governments and extractive companies, thus resulting in band-aid solutions (Idemudia, 2013; Li, 2007).

The term sustainable development embodies a multitude of concepts and while some may define it somewhat differently, each version generally encompasses the same principles. The World Bank for instance defines the term in this manner:

Sustainable development recognizes that growth must be both inclusive and environmentally sound to reduce poverty and build shared prosperity for today’s population and to continue to meet the needs of future generations. It must be efficient with resources and carefully planned to deliver immediate and long-term benefits for people, planet, and prosperity. (The World Bank, n.d.)

Similarly, the Government of Canada states that sustainable development is:

About meeting the needs of today without compromising the needs of future generations. It is about improving the standard of living by protecting human health, conserving the environment, using resources efficiently and advancing long-term economic competitiveness. It requires the integration of environmental, economic and social priorities into policies and programs and requires action at all levels - citizens, industry, and governments. (“Environment Canada”, 2014)

Considering these definitions, many are unconvinced that the extractive sector has contributed towards sustainable development (Engler, 2015; Hilson, 2012; Idemudia, 2013; Li, 2007). It is no wonder that this on-going phenomenon has in turn led to the rising public distrust of the extractive sector.
Consequently, one strategy that has been employed by extractive companies to address the lack of inclusive growth in the areas where they operate is the practice of Corporate Social Responsibility (CSR). This raises an important question: Is CSR an effective solution in ensuring that developing countries benefit from their natural resource wealth? This has become a much debated question as public scrutiny of the extractive sector has continued to grow.

For some, CSR is simply rhetoric, greenwashing as some may say, and for others, CSR could be one approach in keeping companies accountable. Where does the truth lie? Perhaps somewhere in between, perhaps nowhere at all. As such, drawing upon Visser’s (2011) concept of the CSR stages, which he categorizes as defensive, charitable, promotional, strategic and systemic/transformative, this study seeks to examine whether the current CSR framework of Canadian mining companies operating in Africa is an effective intervention that can contribute towards sustainable development in the countries where they operate.

Burkina Faso, a country in West Africa which is one of the most poverty stricken on the continent, will be the focus of this study. It is worth mentioning at this point that Burkina Faso has recently become a hotspot for gold extraction, with Canada being the largest foreign investor in the country’s mining sector. This study will review how Canadian gold mining companies operating in Burkina Faso perceive their CSR practices. I will also assess the CSR stage(s) of these mining companies. Why does this matter? Visser’s (2011) view is that CSR to-date has failed; and for as long as there is no evolution from the first four stages (i.e. defensive, charitable, promotional and strategic), genuine CSR will never be realized. These stages will be explained in further detail in subsequent sections.
I employ qualitative methodology, specifically content analysis, where I systematically review texts including the companies’ annual reports, financial statements and their CSR reports. Given the dearth of empirical research evaluating CSR initiatives in Africa, it is unclear whether the companies report is indicative of the actual reality on the ground. The goal of this thesis is not to evaluate the specific CSR programs of Canadian mining companies in terms of their social impact as this would require fieldwork evaluation in Burkina Faso, an extensive exercise which would go beyond the scope of this thesis. Nevertheless, upon completion of the assessment of the aforementioned CSR stages by utilizing a critical analysis approach, as well as drawing upon the theory of economic democracy, I will examine the feasibility of CSR initiatives by foreign mining companies to contribute to sustainable development in Burkina Faso.

1.1 Rationale and theoretical framework

A number of studies suggest that CSR initiatives in Africa have yet to make a significant, long-lasting socio-economic contribution (Campbell, 2012; Hilson, 2012; Idemudia 2013; Idemudia 2014). On the other hand, proponents of CSR contend that CSR has the potential to contribute to sustainable development (Moon, 2007). However, individual and societal practices such as the consumption of goods from irresponsible companies, ineffective regulation, etc. are significant challenges to achieving sustainable development. As such, there are “limits to the extent to which corporations can be held responsible for sustainable development” (Moon, 2007, p.305). Similarly, in a study conducted by SJ & Devuyst (2011), the authors concluded that cultural differences between a mining company and the host community in the Democratic Republic of Congo (i.e. the host community’s paternalistic mindset) was a challenge to the advancement of an enlightened CSR strategy.
The above viewpoints clearly show that the potential for CSR to contribute to sustainable development continues to be a contested debate. Why is this the case? Firstly, it is not well understood how extractive companies operating in sub-Saharan Africa view their CSR initiatives, specifically, how these initiatives can contribute (or have contributed) to sustainable development in the areas where they operate. Many companies claim that they are committed to corporate social responsibility, however, one cannot help but wonder, if companies were genuinely concerned about social issues, would the fruits of their efforts not be more evident? It is also questionable as to how positive socio-economic impacts can be realized in a capitalist system where most companies prioritize profit maximization over their social and ecological footprint. This study will therefore interrogate the contradictions between CSR commitments vis-à-vis what they seem to prioritize (i.e. their bottom line).

1.2 Research questions

This research attempts to analyze whether the current CSR framework of Canadian gold mining companies operating in Burkina Faso, is an effective intervention that could help contribute towards sustainable development in the region. As Visser (2011) indicates, CSR to-date has failed because most companies have not gotten to the stage of practicing systemic or transformative CSR (i.e. a “holistic” process). These two terms, systemic and transformative CSR will be used interchangeably. The hypothesis being made here is that if these companies fail to arrive at the transformative stage, the contribution to sustainable development by these companies, specifically through their CSR initiatives will continue to be a far-fetched dream. By employing a critical analysis approach, I will examine the companies CSR contradictions. Accordingly, the central research questions guiding this study are as follows:
1. Are the mining companies’ CSR commitments an effective intervention to address sustainable development?

2. How do Canadian gold mining companies in Burkina Faso perceive their CSR practices?

3. What stage(s) of CSR are Canadian mining companies currently at?

1.3 Situating myself as a researcher

My move to Canada from Uganda in 2002 opened my eyes to the massive inequalities that exist between the developed and the developing world. At that the time, I did not quite comprehend the multitude of the complex systemic issues that have led to the enormous economic disparities among nations. While I was familiar with concepts such as the Scramble for Africa, whereby European powers, starting from 1885 onwards (Murithi, 2014), conquered and eventually colonized most parts of the African continent, what was clear to me was that Canada was very different from where I had come from. The experience of having uninterrupted electricity and accessing the internet at home were a novelty to me. No doubt, this is not the experience of every Ugandan immigrant, but for me this was all new and fascinating. Not long afterwards, during my first year as an undergraduate student, topics such as capitalism and structural adjustment policies (SAPs) were introduced to me. It was then that I developed a deep desire to understand why the African continent is so rich (i.e. natural resource wealth) and yet its people are so economically poor, a phenomenon often referred to as the ‘resource curse’. Since then, I have had a long standing interest in learning about sustainable solutions and initiatives that could help to reduce the crippling poverty that is so pervasive in Africa.

My interest was further piqued during my ten month internship in Nairobi, Kenya (2010-2011). I thought a lot about how businesses could contribute to socio-economic development
because I was able to see, first hand, just how the poor can easily be exploited. The internship was funded by Canada’s International Youth Internship Program (IYIP) and was facilitated by a Canadian non-profit organization. My assignment in Kenya required me to interact with both Microfinance Institutions (MFIs) and the youth who attempted to access micro loans. From the outset, it became clear to me that there was a disconnect between the youth and the MFIs. The youth we worked with did not see much of a difference, from their perspective, between the MFIs and the big commercial banks. Even though MFIs were designed to serve those who face lending barriers (e.g. lacked collateral, a regular income etc.), quite a number of the institutions were extremely reluctant to lend to the group of individuals we were working with, many of whom lived in the urban slums of Nairobi. More often than not, the youth had to explore other alternatives (e.g. peer group lending) to raise start-up capital for their businesses. As a result, I began to look for other ways that had the potential to reduce poverty and build capacity in Africa. It was partly this experience that sparked my interest in the CSR discourse.

In thinking about the relationship between CSR and development within the context of natural resource extraction, what immediately comes to mind are the conflict minerals in Sierra Leone, DR Congo, and the long-running oil disputes in the Niger delta which have been mostly fueled by the uneven distribution of natural resource wealth. I therefore cannot help but wonder what mining companies in Burkina Faso with CSR programs intend to do differently to ensure a win-win outcome for all stakeholders, particularly taking into account the prevalence of neoliberalism, a political-economic ideology which typically favours profit maximization over addressing social problems.
I am highly critical of the neoliberal and or the capitalist agenda primarily because of my previous academic background which shaped my understanding of some of the theoretical concepts that attempt to explain why certain issues in our world have unfolded the way they have. For instance, some advocate for capitalism and neoliberalism arguing that it is the number one equalizer (Friedman, 1962). Others contend that it has led to some fundamental problems, most especially the ever-growing inequalities experienced by individuals and nations (Harvey, 2006).

Creswell (2013) talks about the importance of researchers making their philosophical assumptions that inform their research explicit, and I agree with this view. In attempting to make my philosophical assumptions explicit, I have struggled trying to figure out how to authentically state my position without sounding hypercritical. I say this because, while I am not an advocate of capitalism, there is no denying that I too contribute to this system that I so very often criticize in conversations with my peers and within academic settings. For example, I do not always purchase locally produced clothes or food even though I would like to. My spending decisions are usually influenced by the budget prices offered by multinational companies which local businesses are generally unable to compete with. It was perhaps inevitable that while exploring the broad subject of corporate social responsibility (CSR) I in turn questioned my own individual social responsibility. I have consequently questioned whether the negative effects of capitalism can be avoided or whether conscious or responsible capitalism can exist as some scholars suggest. This begs the question; is CSR within this umbrella of ‘conscious capitalism’ or ‘moral capitalism’? Furthermore, in this day and age, can one completely escape capitalism?
According to Visser (2011) the age of responsibility (i.e. ‘systemic CSR’) is capable of providing capitalism with a “moral compass” (p.47). This view is also supported by Friedman and Adler (2011) who contend that it is very possible for moral capitalism to be realized, which they describe as a type of capitalism “that encourages creativity and profit without losing sight of the importance of helping others” (p. 1026). No doubt, the debate concerning the need to move from ‘crony capitalism’ to ‘moral capitalism’ is an ongoing one and one that speaks to my concerns. The fact that it has been projected that the wealthiest 1% will acquire more than 50% of the global wealth by 2016 (Hardoon, 2015), is a telling sign of the massive inequality that exists in our global economy. What is even more crucial to investigate is how the richest 1% percent have been able to acquire so much wealth. There are quite a number of factors, though here I present two insightful examples that shed some light. Gabriel Zucman’s 2015 book, *The hidden wealth of nations: The scourge of tax havens* (The University of Chicago Press) reveals that 55% of the foreign profits accumulated by US firms are diverted to offshore tax havens where minimal to zero taxes are paid (Zucman, 2015). Similarly, in Canada, it has been discovered that what the average top CEO earns in a day is equivalent to what the average Canadian worker earns in an entire year on a full-time salary (Mackenzie, 2014). Sadly, this scenario is not unique to Canada. If this is not a case of sheer injustice due to the absence of economic democracy, what logical explanation could possibly justify this unequal distribution of income that has become so deeply entrenched in our global economy? This thesis makes no attempt to fully unpack all of these questions, however, it is mindful of the contradictions and challenges that are at times overlooked when addressing socio-economic issues.
1.4 Organization of thesis

This thesis is comprised of five chapters. Chapter one is designed to provide a contextual background to the entire study and includes my personal journey of self-examination and the observation of international trends as far as CSR is concerned. Chapter two starts off with examining the theoretical framework that guides this study. It also presents a literature review on CSR in order to have a better understanding on why CSR initiatives in Africa have yet to make a significant, long-lasting socio-economic contribution. Further, it also highlights the political-economic context under which Canada and Burkina Faso’s bilateral trade relations have taken place as these factors do influence companies’ CSR agendas. Chapter three outlines the research methods used to obtain the data (i.e. content analysis) as well as the sampling criteria and data analysis procedures. Chapter four presents the results generated from the study (i.e. the six sampled mining companies). Chapter five discusses why CSR might not be an effective intervention for sustainable development within a neoliberal/capitalist framework. The chapter also discusses the limitations of this study and presents directions for future research.
Chapter 2: Literature review

Despite all the corporate rhetoric about people being a company's “most important assets,” conventional practice usually favors making money over building culture when the two come in conflict. However, management innovations by a new breed of business leaders are challenging the business wisdom of conventional practice. (Collins, 2015, par.2)

The purpose of this chapter will be to explore the literature on CSR in Africa. In addition, an overview of the theoretical framework guiding this study will be highlighted. The emphasis in this thesis will be to look at the Canadian mining sector’s perceptions that have shaped their CSR practices. I have chosen Burkina Faso as the country of focus. Burkina Faso and Canada have had bilateral relations since 1962 and Canadian mining companies are currently the main shareholders of mining projects in Burkina Faso and as of 2013, they have brought in earnings amounting to approximately $1.6 billion dollars. (“Canada-Burkina Faso relations”, 2015.) I have therefore identified some of the policies that have been established to shape Canada and Burkina Faso’s trade and investment relations and have also provided a review of the Canadian government’s CSR strategy for extractive companies operating abroad. Research suggests that some of these foreign policies, such as the Foreign Investment Protection Agreement (FIPA) have not proven to be in the best interest of developing countries (Engler, 2015). Furthermore, given the dominance of capitalism and neoliberalism, many have questioned whether it is feasible for CSR initiatives by foreign mining companies to contribute to sustainable development within Burkina Faso’s mining regions.

2.1 Capitalism vs. economic democracy
Capitalism is an economic system whereby the means of production are privately owned, the primary motive being the generation of profits (Jahan and Mahmud, 2015). Private property, competition, self-interest, laissez-faire policies, etc. are some of the key characteristics of capitalism (Jahan & Mahmud, 2015). Even though capitalism is often used synonymously with neoliberalism, a brief definition is warranted. Harvey (2005) describes neoliberalism as a political economic theory that affirms that entrepreneurial individual freedoms are necessary for human well-being whereby individuals and businesses ought to have access to free markets, acquire private property; and that the primary objective of the state should be the protection of these freedoms. A number of authors have however concluded that both capitalism and neoliberalism have largely contributed to the rising economic inequalities among individuals and nations (Harvey, 2005; Picketty, 2014; Wolff, 2012). Engler (2014) and Wolff (2012) suggest that the cure of capitalism might be economic democracy.

Keeping in mind that capitalism is a profit driven economic system that advocates for the maximization of profits, it is important to note that the maximization of profits does not typically result in the increase of wages, provision of health care benefits to all workers or even the payment of adequate taxes to improve and sustain public services. Furthermore, the maximization of profits does not mean that everyone benefits as profits are mostly gained by owners of companies. As evidenced through Desilver’s (2014) findings, most American workers have not experienced meaningful wage increases in decades, in spite of the fact that companies have continued to report billions of dollars in profits. As if this were not enough, an eye opening study by Citizens for Tax Justice (CTJ) revealed that over $2.1 trillion dollars are being held in
offshore tax havens by nearly 72% of the Fortune 500 companies (‘Offshore Shell’, 2015). So how can companies unashamedly claim that they cannot afford to pay workers a living wage?

Better yet, looking at the bigger picture, how can companies claim to care about socio-economic issues? Walmart, for instance, has approximately $23.3 billion in offshore accounts (‘Offshore Shell’, 2015), and yet many of Walmart’s low-income workers continue to collect welfare cheques from the government (Jacobs, 2015). Is it not fair to ask, what happens to all the surplus value produced by workers? Considering these factors, would it not be safe to argue that neoliberal capitalism seems to be the problem?

Does this mean that According to Engler (2014) and Wolff (2012), economic democracy is the solution to the ills of capitalism. So, what does economic democracy mean?

Economic democracy means giving everyone the right to a voice and an equal vote in their communities’ economic decisions. When everyone has an equal right in decision-making, economies will be motivated by general wellbeing, not private profit. Economic democracy means eliminating the divide between workers and owners by making everyone an owner. Economic democracy means multiple owning communities --local, regional, national, international -- so that power does not become concentrated in the hands of a single central state. It means that wherever social labour occurs a system of democracy manages the enterprise. (Engler, 2014, par.18)

The concept of economic democracy has yet to gain momentum within the public and political spheres (Malleson, 2014). Democracy is a system whereby individuals are all equally involved in decision making processes. What is interesting is that even though many Western countries promote democracy, there is limited genuine democracy within a capitalist society (Malleson, 2014). Wolff (2012) argues that in a number of present-day ‘democratic’ governments, most citizens usually have very little control of what politicians can do. Furthermore, most adults spend most of their time at work and yet the practice of democracy in many workplaces barely exists (Wolff, 2012). The key distinguishing factor between capitalism
and economic democracy is the kind of relationship amongst colleagues (Wolff, 2015). In a capitalist system, the condition for employment is that workers produce more than they are paid in order to make a surplus or profit for their employers (Wolff, 2015). In addition, employees are accountable to their bosses (i.e. employee/employer relationship) whereas in an economic democracy, all workers are accountable to each other (Wolff, 2015). Top-down hierarchical structures are therefore limited to a much greater extent in economic democracies than in capitalist dominated environments.

2.2 An overview of Corporate Social Responsibility (CSR)

While business leaders have been discussing social issues since the 1880s, the concept of Corporate Social Responsibility (CSR) gained prominence in the early 1950s (Carroll, 2009). During this period, some issues that were being brought to the forefront were: employment discrimination, worker safety, product safety, etc. (Carroll, 2009). While Howard Bowen whose book was published in 1953, titled the Social Responsibilities of the Businessman has been cited as one of the pioneers of CSR scholarship, he has been given little credit for his progressive views on CSR (Acquier, Gond & Pasquero, 2011; Moon, 2014). Bowen (1953) asserted that businesses had a role to play in society that went beyond philanthropy. Two decades after publishing Social Responsibilities of the Businessman however, Bowen was skeptical of voluntary social responsibility and stated:

My experience and observation since then have led me to the conclusion that the social responsibility concept is of minimal effectiveness and that an economy that serves the people can be built in America only if corporate enterprise is brought under social control
on terms such that the public and not the corporations control the controllers. (Acquier et al. 2011, p. 637)

Bowen’s reflection seems to suggest that companies were incapable of performing CSR willingly due to the other competing interests.

What is interesting to note is that with the growth of the Internet and the rapid dissemination of information, the public’s awareness of business conduct has increased and the business community specifically in the Global North has quickly adopted CSR policies. The business case for CSR soon became widespread though it was primarily in the form of philanthropy (Visser, 2011). Over time though, the meaning of CSR has evolved from philanthropic and paternalistic practices (in some parts of the world) to companies voluntarily or involuntarily taking into account how their activities affect communities, the marketplace and the environment (Muthuri, 2013). A universal definition of CSR, however continues to be contested. Given this reality, Dahlsrud (2006) espouses that CSR strategy should be context-specific.

Taking into account the numerous definitions I have examined, CSR can be summed up as a conscious decision made by companies to conduct business in a manner that takes into account the genuine care and concern for humanity and the environment.

The theory of CSR has evolved over time. Accordingly, in the last three decades, there has been a growing body of literature which has sought to explore the role of business in society (Campbell, 2007). For instance, in 1970, the New York Times magazine published an article written by Milton Freidman where he argued that businessmen who promoted social responsibilities of a business in a free market system were “unwitting puppets of the intellectual forces [who harm] the basis of a free society” (Freidman, 1970, par.1). According to Freidman
(1970), the primary objective of businesses ought to be the maximization of profits for their shareholders. Forty-five years later, Freidman’s positioning on CSR continues to both be challenged and supported.

A commonly cited example of evolution of CSR is the *Dodge v. Ford Motor Company* 1919 court case (Bainbridge, 2012; Chandler & Werther, 2014; Lee, 2008). When Henry Ford, who owned 58% of the Ford stock, decided to put a halt on distributing maximum dividends paid to shareholders in order to reinvest monies back into the business and also provide employment and affordable cars (i.e. benefit society), the Dodge brothers, who had a 10% stake in the company, took him to court. (Bainbridge, 2012; Lee, 2008). The Dodge brothers wanted to continue to receive maximum dividends which the courts also agreed with (Bainbridge, 2012). In the end, Henry Ford’s desire for the company to balance profits with upholding a social mission was denied by the judge (Chandler & Werther, 2014). However, a paradigm shift had occurred by 1999, when William Clay Ford Jr. proposed that the Ford company’s social mission should be a key factor of its business (Lee, 2008). In 1999, there were far more supporters than there had been in 1919 (Lee, 2008) when Henry Ford attempted a similar endeavour. Lee (2008) argues that the shift towards embracing social responsibilities was due to shareholders being convinced that CSR was not merely a moral undertaking, but it could also enhance corporate performance.

Over the years, corporate leaders, academics and civil society have continued to debate the issue of CSR and call for a theoretical analysis of the subject. Campbell (2007) is among those who have attempted to provide a theoretical analysis of CSR. In an effort to investigate why corporations would act in socially responsible ways, Campbell (2007) draws upon the “literature of institutional analysis in sociology and the literature on comparative political
economy in political science” (p. 947). Corporations are influenced by political, economic and social conditions, external factors such as state policies, NGO activism, unions, investors and other international bodies such as the United Nations (UN) and the Extractive Industries Transparency Initiative (EITI) etc. and these conditions and institutions have been key drivers of CSR adoption (Campbell, 2007). Many of these institutions have promoted CSR through the establishment of guiding principles or through dialogue (Campbell, 2007; Lee, 2008). For instance, the CSR strategy developed by the Canadian government clearly states that extractive companies operating abroad are expected to abide by the established CSR guidelines (“Canada’s Enhanced”, 2015). Similarly, the Extractive Industries Transparency Initiative (EITI) was also established to encourage transparency of revenues and contracts in the extractive sector. Whether the EITI has effectively regulated the industry is a matter for debate, but whatever the case, these kinds of initiatives have without a doubt contributed to the institutional theory of CSR which Campbell (2007) outlines. It is important to note however that even though CSR has been largely influenced by external factors, the link between CSR and corporate performance (i.e. the business case for CSR) is one of the reasons why corporations have become receptive to CSR. Notwithstanding this fact, many are unconvinced that companies have made a significant impact through their CSR initiatives. Visser (2011) outlines why this is the case through his theory of the ages and stages of CSR.

2.3 Visser’s ages and stages of CSR

In his work on The age of responsibility: CSR 2.0 and the new DNA of business, Visser (2011) presents the ages and stages of CSR in an effort to demonstrate why CSR has to-date failed to produce tangible results and further, how it might be possible to arrive at an enlightened
kind of CSR, designed to solve the world’s social, economic and environmental problems. While Visser prefers the term Corporate Sustainability and Responsibility over Corporate Social Responsibility, he does mention that readers can use whichever label makes the most sense to them. As most companies categorize their initiatives under the label of corporate social responsibility, in order to avoid confusion, the acronym CSR (Corporate Social Responsibility) will be used when describing the stages.

Table 1: The ages and stages of CSR

<table>
<thead>
<tr>
<th>Economic age</th>
<th>Stage of CSR</th>
<th>Modus Operandi</th>
<th>Key enabler</th>
<th>Stakeholder target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greed</td>
<td>Defensive</td>
<td>Ad hoc interventions</td>
<td>Investments</td>
<td>Shareholders, government &amp; employees</td>
</tr>
<tr>
<td>Philanthropy</td>
<td>Charitable</td>
<td>Charitable programs</td>
<td>Projects</td>
<td>Communities</td>
</tr>
<tr>
<td>Marketing</td>
<td>Promotional</td>
<td>Public relations</td>
<td>Media</td>
<td>General public</td>
</tr>
<tr>
<td>Management</td>
<td>Strategic</td>
<td>Management systems</td>
<td>Codes</td>
<td>Shareholders &amp; NGOs/CSOs</td>
</tr>
<tr>
<td>Responsibility</td>
<td>Systemic</td>
<td>Business models</td>
<td>Products</td>
<td>Regulators &amp; customers</td>
</tr>
</tbody>
</table>


*Defensive CSR – The age of greed*

According to Visser (2011), businesses go through various economic ages which in turn lead to a particular kind of CSR. To elaborate, the economic “age of greed” which is unsurprisingly entrenched in a capitalist system is characterized by vices such as executive greed, banking malpractice, corporate greed and many others which he categorizes under the term “defensive CSR” (Visser, 2011). A good example that illustrates the age of greed is the case of the 2015 Target’s closures in Canada. All 133 stores in Canada were closed in 2015 when it was determined that the company was operating at a loss; and this was likely to continue for a
couple more years (Dahlhoff, 2015). Hence, the ad hoc intervention in this case was to leave Canada so that they could focus on the better performing region (i.e. the US market). Interestingly though, when Target decided to close its stores, it was reported that the ex-CEO’s severance and benefits package (approximately $61 million) was “worth about the same as the total amount being offered to all 17,600 of the chain’s Canadian employees” who lost their jobs as a result of these closures (CBC News, 2015). According to Evans (2015), “Target’s shareholders welcomed the news, sending shares in the company up almost three percent on the NYSE. … Closing up shop in Canada [meant that] the company [had] more money to focus its efforts on shoring up its also-struggling U.S. operations” (par.11). Given that Target’s Canadian employees undoubtedly experienced the short end of the stick from these closures, it may be safe to argue that Target’s preference for the protection of their shareholders and the ex-CEO undermines their CSR practices. And as Visser (2011) points out, when a company is at the stage of defensive CSR, shareholder protection tends to trump the common good.

**Charitable CSR – The age of philanthropy**

In the age of philanthropy, giving to charity or contributing towards social and environmental causes in the form of donations represents charitable CSR (Visser, 2011). This form of CSR does not however take into account how companies make their profits as long as they give something back to the community (Visser, 2011). Take for example, in 2014, Walmart and the Walmart foundation donated $1.4 billion dollars in cash and in kind distributed across countries where they operated (Walmart Foundation, 2015). Yet, while Walmart brands itself as a “place of opportunity” that endeavours to “build better lives for families” by providing “competitive pay, health care and benefits” (“Opportunity and Advancement”, n.d.), a recent
report revealed that many of Walmart’s low-wage workers are on government assistance, which has been estimated to be up to $153 billion in assistance (Jacobs, 2015). In addition, the Black Friday strike by Walmart workers that occurred in 2014 in various cities across the United States, suggests that there is a contradiction between the workers’ experience and what the company claims. According to an article in MailOnline:

Swarms of protesters gathered at 1,600 Walmarts in 49 states . . . to picket the stores or stage sit-ins, while other workers started walking out on their shifts . . . Employees were protesting poor wages, which are often so low that they put workers below the poverty line - even though the company makes $16 billion a year in profit. While some are paid $8 or $9 an hour, Walmart's largest stockholders - Christy, Jim, Alice and S. Robson Walton [Walmart heirs] - enjoy the title of America's richest family. Together they are worth $145 billion. (Warren, 2014, par.2-4)

Even though Walmart donates some of its profits, labelling the retail giant as a socially responsible company would be misleading, given the socio-economic disparities between the company’s stakeholders (i.e. the employees and the shareholders). It goes without saying that being socially responsible is much more than philanthropy—how a company makes its profits is also a key factor (Whitehouse, 2006).

Not only does the Walmart case exemplify charitable CSR, but it is also clear that the company has yet to overcome the economic age of greed; and as Visser (2011) notes, a company could simultaneously be in either of these ages and stages. For instance, even though Walmart donates money, which is a form of charitable CSR, the company also practices defensive CSR as it appears that shareholders’ interests take precedence over other stakeholders. It could also be argued that Walmart donates huge sums of money in order to brand itself as a socially responsible company. However, donations alone are not enough to qualify a company as socially responsible.
Promotional CSR – The age of marketing

Some companies have jumped on the CSR bandwagon simply because the perception of acting responsibly could help to enhance their corporate image. Hence, in the age of marketing, a company practices promotional CSR (e.g. engaging in cause marketing) not because it has a genuine concern for human welfare or ecological concerns, but because consumers may feel inclined to purchase products from companies they believe to be ‘good corporate citizens’ (Visser, 2011). I am reminded of the ALS Ice Bucket Challenge that went viral in the summer of 2014. Millions of individuals and employees of companies all over the world showed their support for the ALS campaign by posting videos on social media that showed folks pouring buckets of water filled with ice on themselves as a fundraising mechanism. In light of the ALS Ice Bucket Challenge, NewsCred a company that describes itself as the “world’s content marketing platform”, working with companies such as “Pepsi, Pfizer [and] Dell” (NewsCred LinkedIn, n.d.) noted the following on their blog:

If you represent a brand and you haven’t participated in the ALS Ice Bucket Challenge, you could be missing out on a chance to show the human side of corporate life, spread goodwill, and even call out your competitors. Images of ice buckets being dumped have been ubiquitous on social media the past few weeks – you may have even been the recipient of freezing cold water yourself. What’s amazing about this movement is that even big name CEOs are willing to get chilly for charity, and give their brands a boost in the process. (Papandrea, 2014, par.1)

The above referenced blog excerpt is an example that sheds light on the fact that while some companies may be genuine in their CSR practices, others may have duplicitous motives for taking on charitable causes, which is what Visser (2011) essentially describes as promotional CSR.

Strategic CSR – The age of management
Strategic CSR occurs when companies align their CSR activities with their business activities, a practice which is sometimes understood as the business case for CSR (Visser, 2011). A good example of strategic CSR is Unilever’s Lifebuoy behaviour change programme launched in 2010 that encourages individuals mostly in developing countries to wash their hands with soap on a regular basis (at least five key times in a day) (Lifebuoy, n.d.). In addition, the company states in Lifebuoy’s 2010-2012 social mission report that, “by 2015, the Lifebuoy brand aims to change the hygiene behaviour of one billion consumers across Asia, Africa and Latin America, by promoting the benefits of handwashing with soap at key occasions…” (“Lifebuoy Way”, n.d., p.3). It is unmistakable that this kind of CSR aims to cultivate and support the business case for CSR. This raises the question as to whether aligning CSR activities with a corporation’s operations will lead to meaningful socio-economic impact.

Porter and Kramer (2006) are among those who believe that this is the best move a company can make. The authors argue that companies should prioritize their CSR activities; in other words, engage in strategic CSR, as this is how they can make the most significant social impact and also contribute to their competitive advantage (Porter & Kramer, 2006). From their standpoint, if Hydro One (an electricity and transmission company) were to invest money in a healthy eating campaign, this would not do much to benefit their business and while it is an important cause, it would simply be a ‘generic social issue’ (Porter & Kramer, 2006) for an electricity company. However, if Hydro One were to invest in, for example, energy education, according to Porter and Kramer’s logic, this would be a much better aligned, mutually beneficial activity as some of the graduates could possibly end up at Hydro One in the future. Or, even
better, Hydro One could be seen as unselfishly contributing to stopping climate change and environmental degradation.

In a similar vein, Carroll and Shabana (2010) lay out four arguments in support of the business case for CSR. Their arguments are as follows: (a) CSR can help to mitigate risk, thus helping to reduce costs. (b) CSR can enhance a company’s competitive advantage. (c) CSR can contribute to legitimacy and also enhance company reputation. (d) CSR can lead to mutually beneficial outcomes both the business and its stakeholders. Conversely, Visser (2011) challenges the ‘business case for CSR’ narrative arguing that “most of the hard-core CSR changes that are needed to reverse the misery of poverty and the sixth mass extinction of species currently underway, require strategic change and massive investment” (p. 4). Put differently, most businesses have not adopted strategies that require long-term commitment to combat issues such as poverty, environmental degradation, health and wellbeing, etc. A genuine adoption of these issues could mean that companies may take a long time to realize a return on their investment.

The question is, are companies and their shareholders willing to take on this kind of commitment and sacrifice for the greater good? So far, the evidence proves otherwise. In an article written by Vogel (2005), the author concluded that there was hardly any correlation between responsible business and profits. In other words, being responsible did not result in more profits for companies. Ten years later, not much has changed in spite of the growing awareness of environmental, social and governance issues. In a 2015 study, Hermes Investment Management found that returns on investment are currently a lot more appealing to investors than socially responsible activities (“Responsible capitalism”, 2015).
I would like to assume that most people would rather a business conducts its activities in a manner that does not negatively impact others, but because this would require a significant amount of commitment, investment and sacrifice, which could possibly reduce ROI in the short-term, it is not difficult to see why socially responsible investing (SRI) has yet to become the norm in investment management. Arguably, it is for these reasons that strategic CSR has failed to deliver on transformative change. This now leads us into the age of responsibility, which Visser (2011) believes is a much more enlightened form of CSR, more likely to help solve the social and environmental issues that we face today.

**Systemic CSR – Age of responsibility**

In the age of responsibility, the focus would be to deal with the root causes that have led to irresponsibility and unsustainability (Visser, 2011). It seems obvious that factors such as greed, undemocratic institutions, poor governance and a lack of transparency have all contributed to this period of irresponsibility. So, what would age of responsibility look like?

According to Visser (2011), the economic context in which businesses operate cannot be overlooked due to the fact that the current system under which we are operating (i.e. capitalism) is inherently destructive. We therefore need a system that is a complete reverse of the current order of the day. Systemic or transformative CSR would entail a holistic approach to how business is conducted. Issues such as health and wellbeing in the workplace, construction of environmentally safe buildings, negotiating fair contracts that are mutually beneficial, ensuring that societies are not left worse off, transparency, developing products in an ethical manner, investing in cleaner energy would be part of the overall business strategy.
This may sound like a lot to ask for particularly if one were to put a price on some of these changes. However, the truth of the matter is that there are a number of businesses all over the world that have managed to ‘balance their social and economic mission’, businesses that are within the framework of the social economy such as cooperatives, social enterprises, etc. (Quarter, Mook, Armstrong, 2009).

Quarter et al. (2009), define the social economy “as a bridging concept for organizations that have social objectives to their mission and practice, and either have explicit economic objectives or generate some economic value through the services they provide and the purchases they undertake” (p.4). This definition infers that some organizations under this umbrella of the social economy do at times focus less on the social mission and more on the economic value, but as pointed out by Quarter et al. (2009), favouring market activities over the social mission undermines the purpose of the social economy. Needless to say, the social economy is by no means a perfect economic system. Nevertheless, in comparing solely profit-driven enterprises and the social economy, I would argue that organizations that strive to balance the social and economic factors (i.e. those that do not privilege market activities over their social mission (Quarter et al., 2009) have a better chance at helping to solve the world’s social and environmental problems. Having described the ages and stages of CSR, as well as what the ideal situation would look like, I will move on to examine what CSR currently looks like in Africa.

2.4 CSR in the mining industry: Rhetoric or reality?

Having reviewed a number of mining companies’ CSR reports, it is noteworthy that the companies do their best to leave the reader with the impression that they are genuinely committed to CSR. But a closer, examination of their annual and financial reports provides
insight into the contradictions between stated CSR intentions and the companies’ priorities. Kelly (2002), illustrates the commonness of these contradictions by highlighting a number of corporate scandals (e.g. Enron, Arthur Anderson, WorldCom, Tyco scandals), to demonstrate that even though the “business for Social Responsibility has become a multi-billion-dollar operation” (p. 10) with the emergence of social investment portfolios and ethics courses being taught in MBA programs, this does not mean that corporations have fully embraced socially responsible behaviour. For instance, before the eruption of the 2001 Enron scandal, the company had received six environmental awards in the year 2000 and had, for three years in a row, also been named one of the 100 best companies to work for in America. (Kelly, 2002). However, when it was revealed in 2001 that Arthur Andersen LLP (a global accounting firm that had previously been considered among the best of the best) had engaged in fraudulent activities by assisting Enron in fabricating earnings and concealing debts (Petrick & Scherer, 2003), this case exposed how CSR proclamations can be used to mask companies ‘behind the scenes’ activities. As Keller eloquently puts it, “the things CSR has been measuring fail to tell us what’s going on inside companies” (2002, p. 11). Keller (2002) therefore proposes economic democracy as a solution to the current system that has failed to work in the best interests of the masses. For Keller, “economic democracy is not about separating good corporations from bad, but about shaping the system forces that act on all corporations” (2002, p. 12). As long as companies perceive CSR as secondary to their business agenda, genuine CSR might never be achieved. This begs the question, to what extent can voluntary CSR practices contribute to sustainable development?
Furthermore, can genuine CSR exist within a neoliberal framework that specifically encourages limited government intervention? Slack (2012) argues that limited government regulation of the extractive sector, especially in developing countries has turned CSR into a sham. Similarly, Banerjee (2007) maintains that if it weren’t for government regulation in the United States and Europe, not very many companies would have bothered to consider their social and ecological footprint. I would argue that a resource-rich developing country with lax legal structures is the perfect climate for a mining company.

Various reports bear out this unfortunate fact as there have been several instances where governments have neglected to hold corporations accountable. Slack (2012), Welch and MiningWatch Canada (2015), cite a number of legal cases in particular the human rights abuses and environmental degradation by Goldcorp and Tahoe Resources (Canadian gold mining companies) in Guatemala, and yet these companies claim to be socially responsible. In fact, in August 2015 Tahoe Resources won the “the mid-cap award for best sustainability, ethics and governance program from the Canadian Society of Corporate Secretaries” (“Tahoe wins”, 2015, par.1). As the company states on their blog, “the award underscores the Company’s robust commitment to integrate corporate social responsibility (CSR) into everyday business practices and corporate policies” (“Tahoe wins”, 2015, par.1). Similarly, Goldcorp also claims the following: “Goldcorp’s Corporate Social Responsibility Policy is rooted in our company values, guided by international standards and best practices, and driven by our aspiration for excellence in the overall performance of our business” (Jeannes, n.d.). If these claims by Tahoe and Goldcorp are true, why then are indigenous communities so resistant to the companies’ practices and why have legal cases been brought against them? With the dichotomous nature of
perceptions and reality on the ground, it is no wonder that some regard CSR as either a public relations strategy or, in extreme cases, an elaborate plundering scheme.

This is not to say that corporate-community relations are futile. Slack (2012) cites Enchave, Keenan, Romero and Tapia (2005) who make note of the Tintaya mining project in Peru operated by BHP Billiton Ltd. where BHP endeavoured to address community grievances which in turn led to local support for the BHP mining project. Nevertheless, power imbalances between key stakeholders during CSR negotiations ought not to be overlooked as this often limits genuine engagement (Banerjee, 2007; Seitanidi & Ryan, 2007). Kemp (2010) is among those who advocate for direct engagement between mining companies and communities. Kemp (2010) notes that:

> Despite the lack of focus on evaluating outcomes, mining company sustainability reports and websites give a sense of the vast nature of CD [or community development] work being undertaken by the mining industry around the globe, from partnerships to fight the spread of HIV, to improved service delivery and local-level capacity building programs. (p. 206).

While it is true that many mining companies have adopted the practice of making their sustainability reports publicly available, the actual impact of CSR initiatives in the extractives industry overall continues to be a grey area (Hilson, 2012). Hence, Kemp’s (2010) argument that the sustainability reports available on mining companies’ websites represent the reality on the ground is unconvincing. Given that it is unclear how the mining industry has contributed to sustainable development, in particular in relation to the issue of inclusive growth, mining companies should not be surprised that many remain doubtful of their CSR practices. Perhaps if there was enough empirical evidence, CSR in the mining industry could at some point cease to be perceived as a public relations ploy.
The next section describes the mining life cycle. The activities that typically occur during the mining cycle help to demonstrate the challenges the industry experiences in balancing competing interests.

2.5 Brief overview of the mining life cycle

The first stage of a mining project is the exploration phase, though this does not necessarily guarantee that a project will get to the final stage for this is dependent on a number of factors. Below are the phases or stages that characterize the mining life cycle.

1. Exploration and feasibility

During this stage (which could take anywhere between three to five years), mining companies typically hire geologists to research a targeted area to determine if there might be adequate mineral resources that are economically viable (“Stages of Mineral”, 2007). If things look promising, companies will then apply for permits, licenses and leases for exploitation (“Stages of Mineral”, 2007; “Environmental Code”, 2015).

2. Planning, construction/development

Once a mining pit has been deemed economically viable, a company then proceeds to reach out to investors in order to raise enough capital to develop the mine, which could be in the form of bank debt or equity financing (“Stages of Mineral”, 2007; Koven, 2012). Prior to construction, the planning stage also typically involves feasibility studies, community consultations, mine reclamation planning, etc. In addition, some of the infrastructural developments in this stage include: power infrastructure, water management systems, building offices, accommodations, transportation facilities, fuel
supply, etc. (“Environmental Code”, 2015). This is by far the most expensive stage during the mining life cycle (“Stages of Mineral”, 2007).

3. Operation and production

During operation and production, companies start to process ore in order to generate revenues (“Environmental Code”, 2015). In other words, this is when mining companies begin to see the return on their investments (“Stages of Mineral”, 2007). It is also important to note that the “length of time a mine is in production [i.e.] (the mine life) depends on the amount of (reserves) and quality (grade) of the mineral, metal or gems and whether the operation is still profitable” (“Stages of Mineral”, 2007, p. 2). The mine life projection is therefore the number of years it will take to mine out the delineated reserves. The entire mining life cycle itself, from the exploration stage to the mine closure, often takes several years (EthicalCorporation, 2015). For instance, the exploration and feasibility stage could take anywhere from five to fifteen years (“Stages of Mineral”, 2007).

4. Mine closure/ reclamation

Once minerals have been exhausted from a particular mining operation, the mine closes and reclamation begins (“Stages of Mineral”, 2007). This process involves the cleaning of the mine site and restoration of the land to its original use (“Stages of Mineral”, 2007). A key point to note about the mining life cycle is that many companies typically have to invest millions of borrowed dollars during the exploration and construction phase before they start to see a return on their investment. It is therefore not uncommon for companies to report losses in their annual financial statements prior to the production stage. Hence, as soon as production
commences, the priority for companies is to recoup the money invested in order for them to start repaying their debts, return money to shareholders and also generate profits. For instance, in Orezone’s Annual Information Form for the fiscal year ended December 31, 2014, the company reported that it had incurred losses since its inception and it “expects to continue to incur losses unless and until such time as one of its projects enters into commercial production and generates sufficient revenues to fund continuing operations”; and also “there can be no assurance that the Company will ever achieve profitability” (Orezone Annual Information Form, 2015, p. 14).

It is also important to keep in mind that a number of factors such as market prices of commodities, exchange rates, costs of other materials, etc. all greatly impact a company’s returns. For instance, in the case of gold, prices declined enormously in 2013 and 2014 forcing many companies to reduce expenses and cut costs by suspending operations, cutting dividends, selling their assets, etc. (Shumsky, 2013; Younglai, 2014). And as Harvey (2006); Wolff (2015) and so many others have convincingly argued, in a capitalist system, the profit motive typically drives companies to prioritize profit over the social good.

2.6 CSR and development in Africa

In a review of the existing literature on CSR, Muthuri (2013) concludes that the perception of CSR in Africa differs from that in the Western world. It must, however, be noted that CSR literature in Africa is quite limited and most studies have mainly focused on Nigeria and South Africa’s extractive industries (Hinson & Ndhlovu, 2011). Nevertheless, Muthuri (2013) cites various researchers who affirm that with regard to CSR in the African context, “economic and philanthropic responsibilities are required of companies while ethical and legal responsibilities are expected” (p. 98). This therefore suggests that CSR in Africa is still in the
charitable stage of CSR which unlike systemic CSR does not always take into account how
companies make their profits. This begs the question, who holds companies, specifically foreign
mining companies accountable and what are the consequences of their actions? While this is an
important question to consider, it goes beyond the scope of this study to fully explain this
conundrum at great length. Nonetheless, I will briefly highlight what other studies have
concluded on the issue of CSR and accountability.

According to Idemudia (2010) and Muthuri (2008) governments have been the main
drivers of CSR in some African countries, which in turn implies that governments can in fact act
as key players in helping to create CSR policy. For instance, in South Africa, public-private
partnerships as well as the government’s legislation on the Broad-based Black Economic
Empowerment (B-BBEE or BEE) Act (enacted in 2003) has helped to promote one area of CSR,
specifically, social issues geared towards addressing the legacy of South Africa’s apartheid era
(Arya & Bassi, 2011; Hinson & Ndhlovu, 2011;). As such, adhering to the B-BBEE scorecard
and Codes of Good Practice is a prerequisite for acquiring a government contract or a Social
License to Operate (SLO) (Hinson & Ndhlovu, 2011). Boutilier and Thompson (n.d.) assert that
a social license to operate exists when “a project has the ongoing approval within the local
community and other stakeholders”. It is worth noting though that the attempt to address social
and economic inequalities through partnerships between governments and big corporations has
not escaped criticism. For instance, Hamann, Khagram and Rohan (2008), note that the BEE
initiative has yet to tackle the most significant inequalities in South Africa. They pointedly argue
that, “many of the challenges remain or have become even more acute” in terms of poverty,
unemployment, housing and basic services, inequality, HIV/AIDS (Hamann et al., 2008, p. 25).
Similarly, Campbell’s (2012) research indicates that not only has the development and investment in Africa’s mineral resources failed to contribute to the “social and economic development and the protection of the environment”, the regulatory capacity of Africa’s extractive industry has been weakened by liberalization policies” (p. 142). Consequently, legitimacy and accountability can be a gray area. To put it differently, although some African governments have been the main drivers of CSR, it is still not always clear who should be held accountable.

Despite criticisms of these public-private partnerships, some scholars contend that effective or impactful CSR cannot exist without government intervention. In review of the best and worst practices of CSR in Africa’s resource-rich countries, Esau and Malone (2013) propose that partnership between corporations and governments is fundamental to achieving sustainable development. As well, an earlier, comparative study by Idemudia (2011) concluded that the lack of an active role of government in CSR has impeded initiatives from realizing their fullest potential. This raises the question, is CSR less effective without government support? The following section will examine the role that governments can play in influencing CSR policy with a particular focus on the governments of Canada and Burkina Faso.

2.7 Do governments have a role to play in shaping CSR?

It was acknowledged by Canada’s former conservative government that even though the extractive sector can contribute to the social and economic development of host countries, the positive impacts of natural resource development are not always realized by these countries (“Doing Business”, 2015). As such, the 2014 enhanced CSR strategy which was originally introduced by the Canadian government in 2009 is meant to serve the purpose of outlining the
government’s expectations for Canadian extractive companies operating abroad (“Doing Business”, 2015). Some key highlights of the 2014 enhanced CSR strategy include:

- Companies are expected to align with CSR guidelines and will be recognized by the CSR Counsellor’s Office [this office was established in 2009] as eligible for enhanced Government of Canada economic diplomacy. As a penalty for companies that do not embody CSR best practices and refuse to participate in the CSR Counsellor’s Office or NCP [Canada’s National Contact Point] dispute resolution processes, Government of Canada support in foreign markets will be withdrawn;
- Strengthened support for CSR initiatives at Canada’s diplomatic network of missions abroad, aimed at ensuring a consistently high level of CSR-related service to the Canadian business community around the world, building networks and local partnerships with communities, and reinforcing Canadian leadership, excellence, and best practices in the extractives sector;
- Flexibility to build awareness of a broader range of extractive sector-specific CSR guidance, including those developed in Canada. (“Canada’s Enhanced”, 2015)

Critics have however questioned the impact of this CSR strategy as well as the relevance of the Office of the CSR Counsellor, as some have noted that accountability is lacking. For instance, Bone (2009) points out that the CSR Counsellor’s role (whose role is to offer an impartial dispute resolution process for Canadian extractive companies and host communities outside of Canada) is undermined by the fact that the Counsellor lacks any enforcement powers. In other words, a foreign community can make a complaint to the CSR counsellor, with no guarantee of a resolution. According to Bone (2009), “from 2010 to 2013, almost all of the complaints filed with the CSR Counsellor ended with the corporate respondent refusing to participate in the process. Even those cases that proceeded, failed to produce meaningful long-term results” (par. 5). Similarly, MiningWatch Canada maintains that the enhanced CSR strategy fails to address complaints in a meaningful way (“New Federal CSR”, 2015).

Even though the Canadian government has made an attempt to promote and encourage CSR within the extractive sector, it is unclear how genuine and serious they are about facilitating
a win-win outcome for all stakeholders. In fact, it has been reported that the position of the CSR Counsellor for the extractive sector was vacant from October 2013 to March 2015; the former counsellor having resigned before the end of her contract (“Appointment of Canada’s”, 2015; “Feds pay 180K”, 2015; “New Federal CSR”, 2015). It also remains unclear to the public what other challenges (in addition to the lack of enforcement power) the former CSR Counsellor faced in executing her duties as some claim that very little has been achieved since the inception of this CSR office (Bone, 2015; “New Federal CSR”, 2015). Not to mention, the dispute and resolution process has been designed in such a way that companies have to agree to be investigated (“Feds pay 180K”). This begs the question, how effective can voluntary investigation be in an industry that is frequently at odds with host communities?

Similarly, it is worth highlighting that the legislative defeat of a proposed law, Bill C-300, considered by many as a step forward for corporate accountability was an undeniable indication of how civil society perceives mining companies. Bill C-300 was introduced in the Canadian House of Commons as a private member’s bill by a Liberal Member of Parliament John McKay in February 2009 (Keenan, 2013). The bill was titled “An Act respecting Corporate Accountability for the Activities of Mining, Oil or Gas in Developing Countries” (Keenan, 2013, p.111). The purpose of this proposed bill was to protect those most affected by mining activities including the environment, as well as impose minimum standards on Canadian corporations who fail to adhere to the established guidelines (“Parliament of Canada”, n.d.). The bill was however defeated by six votes (Arango, 2013). Some members of parliament and mining executives argued that Bill C-300 implied that Canadian mining companies were not good corporate citizens, which from their standpoint was untrue (Simons & Macklin, 2010). Others argued that
the bill was poorly written, or that it was bad for Canadian businesses and that it also proposed poor implementation procedures (“Bill C-300”, 2009). On the other hand, organizations such as Amnesty International and MiningWatch Canada were in support of this bill (“Bill C-300 Corporate”, 2009; Whittington, 2010). In fact, according to Amnesty International, “the defeat of bill C-300… [was] another blow to Canada’s international reputation as a leader in the protection of human rights” (Whittington, 2010, par.7). In the case of Canada, it remains to be seen what kind of impact the government has had, or will have in in influencing mining companies to ensure that host communities are not left worse off than they were before the development of mining projects.

Burkina Faso on the other hand, has taken matters into their own hands through the development of a new mining code which was adopted on June 26th, 2015. This new mining code mandates mining companies to contribute 1% of gross revenues into a local development fund (Slack, 2015). It is however not clear whether this 1% contribution is separate from the companies CSR projects or whether it will come from CSR activity. According to Nadine Kone, an Oxfam employee who was directly involved in pushing for the 1% campaign, the mining companies considered this 1% provision to be high and were able to briefly succeed in negotiating a contribution of 0.5% (Slack, 2015). This success was however short lived due to the advocacy efforts of civil society organizations as the Burkina Faso government later reverted back to the 1% mandate. It will therefore be interesting to see how this new mining code might impact mining companies CSR projects.

Notwithstanding the government of Burkina Faso’s efforts, enforcing that corporations contribute a certain percentage of profits will not lead to transformative change as this is simply
another form of tax which is not enough to radically transform the system (Visser, 2011). As emphasized by Idemudia (2013), Li, (2007) and Visser, (2011), the root causes for the lack of sustainable development within host countries has yet to be addressed. My view is that taxes can be helpful, but only if they are managed properly which has however not been the case in many instances.

According to Réseau National de Lutte Anti-corruption (REN-LAC), (Burkina Faso’s National Network on Anti-corruption), 91% out the 2000 individuals surveyed acknowledged that corruption continues to be an issue in the country (Sidibé, 2015). Hence, failure to implement strict measures on issues such as corruption, corporate accountability, transparency of mining contracts as well as a legitimate democratic system will undoubtedly continue to stifle socio-economic development in the region. The next section will now review Canada and Burkina Faso’s trade and investment relations.

2.8 Canada-Burkina Faso trade and investment relations

One of Canada’s main strategies for creating employment and other economic opportunities for Canadians as indicated in Canada’s Global Market Action plan (launched in 2013), is the revamp of trading initiatives, specifically by targeting emerging and already established markets abroad that are aligned with Canadian interests (“Harper Government Launches”, 2013). Burkina Faso, a small landlocked country in West Africa with an estimated population of 17 million people, 60% of whom are youth (“Opening a New”, n.d.) is one of the countries identified as an emerging market which has the potential to bring benefits to Canadian companies and investors (“Harper Government Launches”, 2013). This is not very surprising
given that Burkina Faso is considered to be among the fastest growing economies in the world ("Africa Continues", 2013). The embassy of Canada to Burkina Faso notes the following:

In the wake of the recent mining boom which resulted in gold becoming Burkina Faso’s main export since 2008, Canada became the largest foreign investor in the country. This provides the opportunity for the Canadian government and Canadian companies to promote corporate social responsibility. According to the latest statistics, Canadian mining assets in Burkina Faso reached an impressive $1.6 billion in 2013. ("Canada – Burkina Faso Relations, 2015, par. 5)

This statement seems to suggest that the benefits derived from mining activities, which are primarily economic benefits, were the key attraction to Burkina Faso. In addition, Canada and Burkina Faso signed a Foreign Investment Promotion and Protection Agreement (FIPA) on April 20, 2015 with the aim to provide a secure investment climate for Canadians interested in investing in Burkina Faso ("Canada-Burkina Faso, Foreign", 2015). Some critics contend that Canada stands to benefit a lot more than Burkina Faso from this agreement. For instance, Engler (2015) notes that under FIPA, Canadian governments are able to sue a foreign government if an indigenous community rejects mining developments on their land. Infinito Gold, a Canadian mining company based in Calgary is a classic example of how multinational corporations are able to exercise their FIPA ‘privileges’. In 2013, Infinito Gold filed a lawsuit against the Costa Rican government for $94 million dollars because the government rejected the construction of an open-pit mine ("Canadian Organizations", 2014). If this is how FIPA is designed to work, this certainly undermines the process of free, prior and informed consent (FPIC), a stakeholder engagement standard which has been adopted by the international community to protect the rights and interests of indigenous communities, at least in theory. Engler (2015) goes on to say that:
To protect $31 billion in Canadian mining investment from policy shifts, the federal government has signed or negotiated FIPAs with 15 African countries and officials have sent a message that aid is more likely to flow to a government that signs a FIPA [agreement]. (Par.10)

The idea of tying foreign aid to trade remains a contentious issue in Canadian foreign policy. For instance, those who oppose this trading model argue that the conservative government is using public funds to indirectly subsidize the CSR initiatives of extractive companies where this financial support may not be needed (Mackrael, 2015; Westhead, 2013). According to an article in the Globe and Mail, Ottawa has to-date contributed approximately $310 million in foreign-aid through their recent extractives and sustainable development initiative (Mackrael, 2015). Plan Canada is one of the charities that has partnered with the Canadian government and a mining company to work on an educational project in Burkina Faso (Westhead, 2013). This partnership, however, resulted in controversy and a loss of Plan Canada donors, threatening its reputation and making it more difficult for the charity to continue the partnership (Westhead, 2013). In an interview with the Toronto Star, the President and CEO of Plan Canada, Rosemary McCarney, allegedly made the following comments: “It’s upsetting to donors. People are mad. The reality is that working with any mining company is going to be a problem. There are going to be (employee) strikes and spills. Is it worth the headache? Probably not” (Westhead, 2013, par. 4). Interestingly, a few days after the Toronto Star had published the above comments, McCarney released a statement to clarify what had been reported:

While I appreciate the focus the Toronto Star is placing on international development issues, this article draws misleading conclusions. To be clear, Plan Canada is not “contemplating ending its mining-sector tie” nor are we “abandoning” our project in Burkina Faso. On the contrary, we are enthusiastically engaged and believe in the power of the project to help youth and their communities, and to lift generations of Burkinabés out of poverty. We are proud of our partnership with CIDA and IAMGOLD and the scale, complexity and potential of this project make it cutting edge in international
development. We have more than 75 years of experience in developing countries and so we know that mining is a constant reality in these nations. Therefore, we are taking the lead in learning all we can from this experience rather than watching from the sidelines. (McCarney, 2013, par. 1-2)

This Toronto Star example gives an insight of the complexities and tensions that can emerge from partnering with mining companies even when they claim to be working towards meaningful community development projects.

It is worth noting that with an estimated 44.6% of the population earning less than $1.25 (USD) a day, Burkina Faso has been tagged as one of the poorest countries in Africa (“Lack of Funds”, n.d.). Taking into account the reality that irresponsible small-scale and large-scale mining can negatively impact host communities’ livelihoods, the environment, regional security and so much more, foreign companies can no longer turn a blind eye to the individuals who have been hardest hit by mining developments. This reality and public perception of mining companies supports the relevance of questioning how CSR initiatives by foreign mining companies could contribute to sustainable development within Burkina Faso’s mining regions.

Before proceeding to examine if and how CSR initiatives can contribute to sustainable development, it will be necessary to provide an overview of Burkina Faso’s political economy in order to have a better understanding of how the country’s political architecture has influenced its economic environment.

2.9 Notable highlights of pre-colonial and post-colonial Burkina Faso

Prior to colonial settlement, Burkina Faso (formerly, known as Upper Volta) was governed by the Mossi empire who kept the region relatively stable due to their strong military presence (Engberg-Pedersen, 2003; Shelly, 2013). However, by the late nineteenth century, the
Mossi empire’s dominance was weakened by the French who eventually conquered Ouagadougou (the capital city) in 1896 (Englebert, 1996; Shelly, 2013). In February 1901, the French government called for the end of domestic slavery in West Africa though practices of slave ownership did not entirely diminish (Englebert, 1996). Furthermore, even though slavery had been banned, colonial rule continued to prevail in the region (Englebert, 1996). During the colonial period, Englebert (1996) notes that the French imposed forced labour and also taxed the indigenous people so heavily that often times they had no choice but to relinquish their assets to the French administration, or face undesirable consequences. For instance, in 1908, when thousands organized a protest to challenge French rule, the French fought back by “burning villages, seizing goods and animals, imprisoning some Mossi chiefs …” (Englebert, 1996, p. 22). These kinds of injustices caused resentment towards the French which led to ongoing resistance (see Rupley et al., 2013 for a chronology of events). After years of colonial rule, Upper Volta (before it was renamed Burkina Faso) eventually gained independence in 1960 with Maurice Yaméogo as President (Rupley, 2013). After finally gaining independence, Upper Volta experienced a number of coups, the most notable of which was in 1984 led by Captain Thomas Sankara (“Burkina Faso profile”, 2015).

Not much progress was made in improving the lives of the Upper Volta people after they gained independence from the French in 1960 (Brittain, 1985). The country was heavily burdened with massive amounts of debt (Martin, 1987), corruption was also rampant which compelled the late Captain Thomas Sankara, a former president of Burkina Faso to rename the Country from Upper Volta to Burkina Faso, meaning the “land of upright people” as well as
develop an independent, self-sufficient economy that did not need to rely on foreign aid (Harsch, 1998; Martin, 1987). The name change signified a new beginning for the nation.

Often referred to as ‘Africa’s Che Guevara’, Thomas Sankara is considered to be one of the continent’s most influential and dynamic revolutionary leaders (Harsch, 2013; Smith, 2014). Sankara came into power through a coup d’état and ruled from 1983-1987. He was assassinated on October 15th, 1987 (Luning, 2008; Smith 2014; Werman, 1989). Even though he did make a number of mistakes during his term, it is believed that his four years in power undoubtedly transformed the mindset of the youth, women and the working class who were eager to improve the country’s socio-economic conditions as well as tackle the inequalities and the social injustices at that time (Harsch, 1988). Sankara favoured some form of political and economic democracy. On October 2nd, 1983 during an address to the nation in Ouagadougou (the capital city of Burkina Faso), Sankara is recorded to have spoken about the effects of the twenty-three years of Western imperialist domination and exploitation of the Burkinabé people (Sankara, 1985). Some of the effects mentioned in his speech included: the adoption of a capitalist consumerism mentality, the exploitation of peasants, resistance to change by the local elites who had benefited from colonialism, etc. (Sankara, 1985). Some statements from his 1983 speech are worth highlighting for they portray Sankara’s commitment to systemic change:

> Among our vast majority are the peasants – ‘the wretched of the earth’. Peasants are expropriated, harassed, imprisoned, and humiliated every day. However, it is their work which produces riches. Their produce keeps our fragile economy going. It is their work which provides the honey for those of our people who have used our country as their personal honeypot. It is these very peasants who suffer the most from our lack of infrastructure, of roads, buildings, health services. … From now on the philosophy of revolutionary transformation will take over in the following sectors: [economic transformation or building the economy, the politics of women and the army]. … Our revolution is in the interests of all those who are oppressed or exploited in the society we
have today. Women's domination by men comes fundamentally from the political and economic structures of our society. The revolution, by changing the social order which oppresses women, will create the conditions for her true emancipation. (Sankara, 1985, p. 50-54)

Within three months of being in office, Sankara reduced the salaries across the board and stripped the allowances of civil servants and government officials, including his own salary to $450 a month (Harsch, 2013; Smith, 2015; Wilkins, 1989). It also appeared that Sankara had a great interest in facilitating gender equality, empowering women and advancing women’s socioeconomic status (Rouamba & Descarries, 2010). Accordingly, Sankara appointed a number of women to join his cabinet, and some joined the army, something that was quite uncommon in Africa during this time (Azikiwe, 2015; Harsch, 2013; Wilkins, 1989). His administration also increased access to education, healthcare and housing (Smith, 2015). Harsch (2013) notes that by the beginning of 1986, “more than 7460 primary health posts had been established, roughly one for each village. Some 2 million children had been vaccinated against the major childhood diseases, and about 36,000 villagers were taught basic literacy” (p. 365).

According to Shuffield (2006), Sankara had a great concern for environmental issues, which led him to organize tree planting across the country to address desertification. Most of the development projects initiated to help build the country such as the public housing program, the construction of roads and a railway system were all conducted by the Burkinabés themselves (Shuffield, 2006). For Sankara, complete dependency on foreign aid and his government’s goal of attaining national self-sufficiency were incompatible. In one of his famous speeches, Sankara asserted that “The one who feeds you also controls you … Our country produces enough to feed us all. Alas, for lack of organization, we are forced to beg for food aid” (Neufeld, 2014, par. 4).
While many ordinary Africans shared the same sentiments as Sankara, it is believed that his strained relationship with the French government and the Burkinabé elites who were not in favour of his ideology and strict policies (e.g. the mandate for civil servants to wear the *Faso Dan Fani*, a garment that was made with locally produced material and created by local tailors in an effort to boost the domestic market), ultimately played a role in his demise (Harsch, 1988; Shuffield, 2006; Werman, 1989).

Not long after Sankara’s death, the very next day to be exact, Blaise Compaoré appointed himself as the next president of Burkina Faso (Shuffield, 2006). Compaoré quickly reversed Sankara’s policies, civil servants who had been sacked for corruption or for refusing to work in the rural areas were reinstated, the *Faso Dan Fani* dress code was abolished and neo-liberal economic policies were adopted (Harsch, 1988; Luning, 2008). Under Compaoré’s regime, Burkina Faso was considered as one of IMF’s and the World Bank’s best students (Prince, 2014). In addition, Batterbury (1996) notes that structural adjustment policies (SAPs) were also introduced in Compaoré’s first year as president. As research has shown, structural adjustment programs prescribed to developing countries by the IMF and the World Bank, trumpeted as the masterplan for fostering macroeconomic stability have instead led to disastrous outcomes for many of the borrowers (Easterly, 2005; Bado, 2012). Despite Burkina Faso being a stellar student of the IMF (Prince, 2014), there has been very little to no success in poverty reduction. Structural adjustment policies are not solely to blame for the current economic situation in Burkina Faso or for issues such as high corruption, poor governance, and political instability. Poor leadership and droughts in regions such as the Sahel have all contributed to the unequal
economic growth. Nevertheless, SAPs ought not to be overlooked as they have played a major role in shaping Burkina Faso’s economic policies.

The economy of Burkina Faso is largely driven by agriculture, cotton being its main agricultural commodity. However, Burkina Faso has also recently attracted more Foreign Direct Investment (FDI) due to a growing mining sector, making Burkina Faso the fourth largest producer of gold in Africa. To understand how important the mining industry has become a major player in the economy, it is worth noting that in 2007, Burkina Faso’s top merchandise exports were cotton at 67% and oilseeds at 8% while the top two merchandise exports in 2013 were gold at 56% and cotton at 17% (OECD, 2015). According to a report by the Extractive Industries Transparency Initiative (EITI), in 2008 the government of Burkina Faso generated approximately $4 million USD in revenues from the mining sector (not including in-kind payments) whereas in 2012 government revenues from mining were estimated at $371 million USD (Burkina Faso Reports, n.d.). How these dollars have translated into economic development is unclear. When host communities do not experience the benefits of large-scale mining on their land, sometimes even having to be uprooted and resettled in other areas, how can their disillusionment of inclusive growth not be justified?

2.10 Some factors limiting CSR in Africa

Illicit financial outflows

It has been reported that Africa loses more than $50 billion USD a year in illicit financial outflows of which 60% - 65% of outflows is accounted to MNCs, 3% to corrupt practices and about 35% to criminal activities (Tafirenyika, 2013). Furthermore, according to the United Nations Economic Commission for Africa (ECA), these illicit financial outflows are a lot more
prevalent in resource-rich countries (“Economic Report on Africa,” 2015). Illicit financial flows are defined by Global Financial Integrity (GFI) as “illegal movements of money or capital from one country to another” (“Illicit financial,” n.d.). A GFI study noted that the high levels of illicit financial outflows from Africa make it a “net creditor to the rest of the world” (Gascoigne, 2014). To be more specific, a joint report by the African Development Bank and GFI discovered that between the period of 1980 to 2009, African countries “lost up to $1.4 trillion [USD] in net resource transfers, which are comprised of both licit and illicit flows, … [hence concluding that] developed countries still take away more resources than they give to Africa” (Kar, Freitas, Moyo & Ndiaye, 2013, par. 1-2). Thus, taking into account that over 60% of illicit financial outflows are conducted by MNCs, these findings unquestionably challenge the concept of Corporate Social Responsibility (CSR), one strategy that has been proclaimed to have the potential to contribute to sustainable development in the areas where these MNCs operate. This example of illicit financial outflows also illustrates Visser’s (2011) point that emphasizes that greed undermines CSR.

**Band-Aid solutions**

Many CSR programs have failed to tackle the root causes of poverty, inequality, etc. and often times to effectively address these issues, both government and civil society engagement is fundamental (Genasci and Pray, 2008; Idemudia, 2013). The Guardian published an article that summarized Oxfam’s report on CSR that noted that while philanthropic activities and roundtable discussions on CSR are appreciated, these efforts alone are “not long-term solutions to deeply entrenched injustices” (Confino, 2013, par. 9). Therefore, issues such as unfair wages, unfair exploitation of land, and the lack of transparency all limit CSR (Confino, 2013). As has been
indicated, capitalist companies have adopted CSR mostly due to external pressures. The main goal for capitalist enterprises is to maximize profits and as Visser (2011) convincingly argues, “most of the hard-core CSR changes that are needed to reverse the misery of poverty and the sixth mass extinction of species currently underway require strategic change and massive investment” (p. 4). According to a study conducted by Hermes Investment Management who surveyed over one hundred institutional investors, despite the growing awareness of the importance of taking into account environmental, social and governance (ESG) issues when making investment decisions, the truth of the matter is that currently, the return on investments takes precedence over ESG issues (“Responsible capitalism”, 2015). To quote, Saker Nusseibeh, the Chief Executive of Hermes, “today’s siloed and short-term investment approach is the antithesis of responsible capitalism. Change is necessary, if we are to ensure today’s savers and their children will be able to enjoy a fruitful world in the future” (“Responsible capitalism”, 2015, p.5). Needless to say, genuine social change may continue to be a struggle if our society fails to address the root causes of socio-economic inequalities, which to me is partly the dominance of an economic system (i.e. capitalism) that has proven to continuously ignore the common good.

Within the context of Africa, issues such as poor governance, corruption, structural adjustment policies, greed, poor infrastructure (to name a few) are some of the issues that ought to be considered if CSR is to be an effective intervention for sustainable development. For instance, Genasci and Pray (2008) point out that a lack of state-citizen accountability, weak institutions and corruption are some factors that have contributed to the resource curse in Africa. As a consequence, weak institutions typically lead to “power imbalances at the negotiating table.
very often resulting in unfavourable deals being struck, and states afflicted by the resource curse typically lack the institutional capacity to prevent cheating in the collection of revenues.” (Genasci & Pray, 2008, p. 46). Therefore, if these issues are not addressed, CSR interventions will merely continue to be band-aid solutions.

2.11 Summary

The legitimacy of CSR as a useful approach in helping solve the world’s problems, continues to be an ongoing debate. Some researchers have concluded that CSR programs initiated by MNCs in Africa, have done little to improve the socio-economic conditions in the regions where these companies operate (Engler, 2015; Hilson, 2012; Idemudia, 2013). In addition, not only has the mismanagement of natural resource development (e.g. the lack of inclusive employment opportunities, inclusive wealth, etc.) caused various conflicts within the continent, there has also been a deterioration of living conditions particularly in regions that have been adversely affected by resource-conflicts (Ayling & Kelly, 1997; Ross, 2004). Against this backdrop, it is questionable whether it is possible for Canadian mining companies CSR initiatives to make a difference in Burkina Faso. Proponents of CSR argue that doing good for the community is also good for business (Porter & Kramer, 2006). Conversely, Visser (2011) argues that CSR to-date has failed and for as long as there is no evolution from the first four stages (i.e. defensive, charitable, promotional and strategic), genuine CSR will never be realized. These first four stages are simply band-aid solutions for they do not address the root causes of issues that have led to increasing poverty, poor health conditions and environmental degradation. Visser (2011) therefore proposes systemic or transformative CSR (i.e. the fifth stage), an approach that seeks to tackle the root causes of irresponsibility and unsustainability in a holistic
manner. This however requires a long term commitment and therefore the return on investment may not be immediate. For companies whose primary goal is to maximize profits, sometimes doing this at all costs (e.g. evading taxes, not paying workers a living wage, etc.), taking on this kind of commitment may be a hard sell, and perhaps even much more so for mining companies.

Many mining companies typically have to invest millions of borrowed dollars during the exploration and construction phase before they start to see a return on their investment and therefore, it is not uncommon for companies to report losses in their annual financial statements prior to the production stage. Hence, as soon as production commences, the priority for companies is to recoup the money invested in order for them to start repaying back their debts, return money to shareholders and also generate profits. With all these competing priorities, particularly when the rules that govern the system favour profit maximization over addressing social issues, the notion that genuine CSR can be achieved under this framework is implausible. It is therefore no wonder that CSR initiatives in Africa have yet to make significant, long-lasting socio-economic contribution (Campbell, 2012; Hilson, 2012; Idemudia 2013). As asserted by Keller (2002), the metrics by which CSR is typically assessed or measured, “fails to tell us what’s going on inside companies” (p.11). Therefore, if CSR is to be an effective intervention for sustainable development, economic democracy might be the solution to the ills of capitalism.
Chapter 3: Methods

This research developed out of my interest in unpacking the limitations of CSR’s impact in Africa’s resource-rich regions. I was particularly interested in the corporate perspective because it is the companies or at times the non-profits they partner with who are the main facilitators of CSR programs. Therefore, understanding how the facilitators of CSR programs (i.e. mining companies and their partners) perceive their contributions as well as the contradictions between their CSR commitments and their business priorities may clarify the gap between what is desired and what is achieved. The goal was therefore to interview two to three employees from seven Canadian mining companies who could offer insights on the challenges, best practices and sustainable development possibilities of CSR implementation in Burkina Faso. Some of the questions I had prepared for the interviews were as follows:

1. How do the company’s CSR practices align with the host communities’ needs?
2. How will the new mining code implemented on June 26th, 2015 by Burkina Faso’s transitional parliament, specifically the requirement for firms to pay 1% of gross revenues into a local development fund impact your CSR programs?
3. What are some key measurable indicators that you use to assess the impact of your CSR initiatives?
4. How do you address the issue of power imbalances among community members? In other words, how do you ensure that a diversity of voices are represented?
5. What are some of the challenges you face in running your CSR programs?
6. How do you deal with the tensions between your social (community needs) and economic goals (e.g. shareholder priorities)?

In the hopes of examining these questions from the companies’ viewpoint, I contacted seven mining companies via email and over the phone. Of the seven companies that were contacted, four were non-responsive. Of the three that responded, one explicitly stated that they were not interested in participating. The second company was interested in participating but failed to return the consent forms, and the third company also acknowledged their interest in the study, however, they indicated that as the mine had yet to be built, they could not speak from the company’s experience. This response implies that CSR is only embarked on after the construction phase, however, in order for companies to be granted permits to extract resources from the ground and also maintain a social license to operate, companies ought to engage with communities beforehand (Nelsen, 2006).

As a result of not being able to interview employees who were presumably best placed to provide me with information about the companies’ CSR framework in Burkina Faso, I have consequently limited my research to reviewing company archives and other textual sources within the public domain. Hence, in order to examine whether the current CSR framework of Canadian gold mining companies operating in Africa is capable of contributing towards sustainable development, I narrowed my questions and employed content analysis, a qualitative methodological approach to gather the data needed to examine: (1) Are the mining companies’ CSR commitments an effective intervention to address sustainable development?; (2) How do Canadian gold mining companies in Burkina Faso perceive their CSR practices?; (3) What stage(s) of CSR are Canadian mining companies currently at?
3.1 Qualitative content analysis

A key methodological component of this study is to try to make sense of how CSR can contribute to sustainable development in Africa. As such, this study employs qualitative methods, specifically content analysis. Qualitative methodology is best suited to research that tries to explain phenomena. Hsieh and Shannon (2005) define qualitative content analysis as “a research method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns” (p.1278).

According to Carley (1993), content analysis is the dominant solution to textual analysis problems within the social sciences field. Content analysis has in fact been used by a number of studies in the corporate social responsibility discourse. For instance, Abbott and Monsen (1979) employed a content analysis approach to develop and assess the efficacy of a social involvement disclosure scale based on a review of the annual reports of a number of Fortune 500 companies. Another study by Campopiano and Massis (2015), analysed the CSR reports of ninety-eight firms based in Italy in order to identify the differences between family and non-family firms with regard to the types of CSR reports the firms generate. To code the data, the authors followed a thematic process that identified company values, environmental issues, stakeholder management issues, philanthropic activities, etc. (Campopiano & Massis, 2015). Based on their analysis, Campopiano and Massis (2015) concluded that even though family firms disclosed a wider range of CSR reports in comparison to non-family firms, family firms were also less compliant with CSR standards, at least in terms of the topics they choose to focus on within their CSR reports.

Milne and Adler (1999) who explored the reliability of social and environmental disclosures concluded that content analysis of company reports can be a complex process as the
reliability of these reports ought not to be overlooked. McGuire, Sundgren and Schneeweis (1988) make a similar argument pointing out that “such documents [i.e. company reports] often have more public relations value than informational value” (p. 859). While this fact cannot be disputed, due to the growing public awareness of ESG issues, particularly the pressure to conduct business in a responsible manner, some companies have (i.e. since 1988) made greater efforts to disclose more information on their websites and join external initiatives that assess transparency and responsibility (e.g. EITI, Jantzi Social Index, the Devonshire institute, etc.). That being said, I am cognizant of the biases that may exist in companies’ CSR reports, especially, when several studies show that what companies declare often contradicts the reality on the ground. Given that this research design involves the subjective interpretation of content, my point of view which has been informed by the theory of economic democracy is also very much present within this study.

3.2 Sampling criteria

According to Vogot, Gardner and Haefele (2012), when research is being conducted on organizational records, judgement or purposive sampling is most commonly used. Purposive sampling was therefore the approach that was undertaken for this study. Seven Canadian gold mining companies operating in Burkina Faso were identified through a series of internet searches. Of the seven companies selected, one of the companies did not have a social responsibility report that could be located on their website at the time this research was being conducted (October, 2015). Furthermore, there was hardly any information about the company’s community engagement activities. Given this limitation, this company was excluded from the sample as the focus for this study was to examine companies that clearly state their commitment
to CSR or responsible mining. As such, companies that could best address the research questions being examined were the six listed below in Table 2.

Table 2: Selected Canadian gold mining companies operating in Burkina Faso

<table>
<thead>
<tr>
<th>Company</th>
<th>Company headquarters</th>
<th>Selected project(s)</th>
<th>Mining cycle</th>
<th>Current/ projected mine life</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2Gold Corp.</td>
<td>Vancouver</td>
<td>Kiaka project</td>
<td>Development &amp; on-going exploration</td>
<td>10.3 years</td>
</tr>
<tr>
<td>Endeavour Mining</td>
<td>Vancouver</td>
<td>Houndé project</td>
<td>Development</td>
<td>9.25 years</td>
</tr>
<tr>
<td>IAMGOLD Corporation</td>
<td>Toronto</td>
<td>Essakane mine</td>
<td>Production</td>
<td>11 years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Youga gold mine</td>
<td>Production</td>
<td>2 years (currently left)</td>
</tr>
<tr>
<td>Orezone Gold Corporation</td>
<td>Ottawa</td>
<td>Bomboré project</td>
<td>Development</td>
<td>10.7 years</td>
</tr>
<tr>
<td>Roxgold</td>
<td>Toronto</td>
<td>Yaramoko gold project</td>
<td>Development</td>
<td>10 years</td>
</tr>
<tr>
<td>SEMAFO Inc.</td>
<td>Montreal</td>
<td>Mane mine</td>
<td>Production</td>
<td>9 years</td>
</tr>
</tbody>
</table>

Note: Data adapted from company reports published on www.SEDAR.com

3.4 Data analysis procedures

In order to get a better sense of how Canadian mining companies operating in Burkina Faso perceived their CSR practices, I reviewed the companies’ CSR policies, targets and activities. The primary sources of evidence include documentation obtained mainly over the internet (e.g. administrative documents, online news articles) and archival records (company reports). The aim was not to evaluate the CSR projects per se, but rather to determine how
important CSR is to these companies. In addition, Visser’s (2011) stages of CSR contributed to the data analysis. Interestingly, I found that only one research question, on how Canadian gold mining companies perceive their CSR practices, could be answered by reviewing the companies’ CSR reports, a telling sign of the opaqueness prevalent in some of their public statements. Thus, in order to adequately respond to the other two research questions, I decided to ‘follow the money’, which meant that I then had to review the companies’ annual reports, feasibility reports, management discussion and analysis (MD&A) reports and their annual information forms. All these archival documents are publicly available on www.SEDAR.com, a site where public company documents can be freely accessed by investors and other interested parties.

As Bowman (1984) notes, “content analysis of written documents or transcribed spoken presentations involves coding words, phrases, and sentences against particular schema of interest” (p. 61). In addition, comparing quotations from company documents can be used to analyze “general investigations of questions of interest to scholars, consultants, and managers” (Bowman, 1984, p. 70). To illustrate, a study by Smith, Rodriguez and Zatz (2009), that sought to examine whether documentation and noncompliance within juvenile court files is affected by race, ethnicity and class, used content analysis to demonstrate how these constructs (i.e. class, race, etc.) result in biased documentation. This was done by first “coding for indicators of family and neighbourhood economic status, youth and family characteristics …” (Smith et al., 2009, p. 114). Secondly, the authors also drew excerpts from the narratives within the court files to support their predictions (Smith et al., 2009). This is the same strategy I used to code the data. The content analysis process involved reading the following documents:

- Companies annual information forms for the years 2013 and 2014
- Companies audited annual financial statements for the years 2013 and 2014
- Companies Management’s Discussion and Analysis (MD&A) documents for the years 2013 and 2014
- Feasibility studies (years varied depending on the mining project)
- Companies CSR claims
- Other online sources (i.e. Alternatives International Journal, The Devonshire Initiative and Sustainability Index)

In order to establish validity, it was necessary to review all these documents to have a better sense of what the dominant narrative is among these institutions. I then proceeded to code key statements from these documents (suitable for the purposes of this study) into five themes. The themes used for analyzing the data emerged from coding the company documents. By reading and re-reading these documents, not only was I able to identify themes from the text, but I was also able to identify themes that were absent from the text. For instance, some companies highlighted ‘local procurement’ or ‘local content’ strategies whereas others did not. Local procurement refers to “the process of obtaining personnel, services, supplies, and equipment from local or indigenous sources” (The Free Dictionary, n.d.). The themes identified were as follows:

1) Community relations/ stakeholder engagements
2) Local procurement
3) Laws and regulations
4) Risk factors
5) Motivations or indicators for engaging in CSR
By scrutinizing the companies’ reports, I was able to extract statements that I believed to fall under the identified five themes in order to determine the CSR stages of the companies, how they perceived their CSR practices and what their priorities were; and more importantly whether these priorities were complementary with efforts required to achieve sustainable development in Burkina Faso. For the coding scheme, please refer to the codebook (see Appendix A).
Chapter 4: Findings

4.1 How do the six Canadian gold mining companies in Burkina Faso perceive their CSR practices? Highlighting the contradictions.

All six companies selected for this study have made commitments to conduct their operations in a socially responsible manner. As can be seen in Table 3, issues of environmental protection, collaboration with stakeholders, governance and sustainable development have been considered by these companies.

Table 3: Companies CSR commitments

<table>
<thead>
<tr>
<th>Company</th>
<th>CSR commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endeavour Mining</td>
<td>“Endeavour strives to maintain strong relationships and provide long-term benefits to the local communities where it operates” (“Endeavour Mining: Responsible Mining”, n.d.).</td>
</tr>
<tr>
<td>IAMGOLD Corporation</td>
<td>“It is our commitment to continually strive to reach the highest standards in human health and safety, minimize our impact on the environment, and work co-operatively with our host communities” (“IAMGOLD: Zero Harm”, n.d.).</td>
</tr>
<tr>
<td>Orezone Gold Corporation</td>
<td>“Trust, cooperation, collaboration and a deep respect for the local people, their language, livelihoods, traditions and customs, are at the heart of our approach to exploration and development” (“Orezone: Corporate Social Responsibility”, n.d.).</td>
</tr>
<tr>
<td>Roxgold</td>
<td>“Roxgold is committed to conducting its mineral exploration and development activities in a manner consistent with internationally recognized guidelines and principles for Sustainable Development and Corporate Social Responsibility” (“Roxgold: Corporate Responsibility”, n.d.).</td>
</tr>
<tr>
<td>SEMAFO Inc.</td>
<td>“We strive to create value for our stakeholders through high corporate governance standards in terms of corporate responsibility, ethical...”</td>
</tr>
</tbody>
</table>

All six companies have been operating in Burkina Faso for over five years. As noted, Canada is currently the largest foreign investor in the country. According to the Canadian government, “many Canadian extractive sector companies, particularly those in the mining industry, understand that incorporating CSR practices into their operations contributes to their success” (“Doing Business”, 2015, p. 4). This assertion corresponds to the question: how then do Canadian mining companies perceive their CSR efforts? The following results provide important insights as well as highlight the contradictions between the companies’ stated CSR commitments and their business priorities. Please see Appendix B to see how the results were organized.

**B2Gold**

All mining companies that apply for an exploitation permit are mandated to submit an Environmental and Social Impact Assessment (ESIA) to Burkina Faso’s Ministry of Environment and Sustainable Development (OECD, 2013). To this effect, B2Gold’s ESIA was approved in April, 2015 (“B2Gold, Management’s Discussion: For the quarter ended September 30, 2015”, 2015). Most ESIA reports highlight activities conducted by companies such as community relations, environmental impacts, the legislative framework, monitoring and evaluation procedures etc. (World Business Council for Sustainable Development, 2005). While B2Gold does not say much about what their social and environmental impact has been to-date in Burkina Faso, the company states on their website that it invests in community education programs in all its major projects across the globe, and it has also supported artisanal miners in Nicaragua and the Philippines (“B2Gold: Responsible Mining”, n.d.). This point relates to the
community relations and local procurement themes indicated in the methods chapter (i.e. theme 1 and 2). Beyond artisanal support, the company states that “a driving philosophy of B2Gold’s Community Investment strategy is to assist communities in developing sustainable livelihoods which do not depend solely upon mining activity” (“B2Gold: Responsible Mining”, n.d).

Needless to say, it may be safe to assume that B2Gold regards itself as a socially responsible corporation.

Interestingly, in review of B2Gold’s Annual Information Form (dated March 27, 2015), the company states the following:

Environmental laws in some of the countries in which we operate require that we periodically perform environmental impact studies at our mines. These studies could reveal environmental impacts that would require us to make significant capital outlays or cause material changes or delays in our intended activities. (“B2Gold Annual Information”, 2015, p. 14).

The above statement suggests that there might be a lack of a genuine commitment to environmental protection if it were not for established laws (theme 3 laws and regulations). Furthermore, B2Gold’s Annual Information Form for the ‘financial year ended December 31, 2013’, indicates that the company is “subject to risks related to community relations and community action” (“B2Gold Annual Information”, 2014, p. 68). B2Gold notes that, NGOs and others who challenge their operations could “have an adverse effect on [their] reputation and financial condition and may impact [their] relationship with the communities in which [they] operate” (“B2Gold Annual Information”, 2014, p. 68). … And therefore even though they endeavour to operate in a socially responsible manner, they cannot promise that their efforts will help to mitigate the risks related to community relations and community action (“B2Gold Annual Information”, 2014). The aforementioned statement relates to theme 4: risk factors and theme 5:
motivations and indicators for engaging in CSR. It therefore appears that since B2Gold considers the community a risk to their operations, the company may be engaging in CSR for the purposes of protecting their corporate reputation.

B2Gold also notes that when governments consult with Aboriginal peoples and local communities on various issues such as mineral rights, title claims, royalty payments, employment and so forth, these procedures could affect their project timelines and costs of development (theme 1: community relations/stakeholder engagements). Once again, B2Gold seems to be more concerned about their bottom line and their reputation rather than genuinely fostering mutually beneficial outcomes. It may be safe to argue that the company prioritizes their economic value over their social mission in spite of their CSR commitment that indicates that “business decisions incorporate careful consideration of people’s health and safety, environmental protection, and community well-being (“B2Gold: Responsible Mining, n.d.).

Another factor that demonstrates what matters most to a profit driven company such as B2Gold is their portrayal of the host community. In review of the Kiaka Gold Project Prefeasibility Study which was prepared for Volta Resources, a company that has since been acquired by B2Gold in 2013 (“B2Gold Corp. and Volta”, 2013), it is worth noting how the project affected persons in this study are described (theme 1: community relations and theme 2: local procurement). In the prefeasibility study, it is noted that, “there is an expectation that the mine will create a large number of employment opportunities, but the poor educational attainment and levels of numeracy or literacy amongst the local people limit the job opportunities available to them” (“Kiaka Gold Project Prefeasibility”, 2012, p. 20-42). And yet in this same feasibility study, it is indicated that artisanal mining (i.e. informal or independent mining) is one
of the community’s livelihoods in the region (“Kiaka Gold Project Prefeasibility”, 2012). In fact, the report explicitly notes that “the [artisanal] mining undertaken at Kiaka is illegal and whilst the miners understand they will eventually have to leave this may not be easy to achieve” (“Kiaka Gold Project Prefeasibility”, 2012, p. 20-43).

If the community in the Kiaka project area has been practising artisanal and small-scale mining (ASM) for a number of years, how can they possibly be deemed unemployable? Jønsson and Fold (2011) note that it is not uncommon for tensions and conflicts to occur between ASM miners and large-scale mining (LSM) companies. The authors point out that although artisanal miners have been regarded by some as ‘criminals’, ‘chaotic’, ‘illegal invaders’, a ‘menace to society’, etc. (e.g. Hinton, 2006 as cited by Jønsson & Fold, 2011), according to their study, not only are these labels and opinions deceptive, but they also do not resonate with the majority of ASM observers. Geenen (2013) makes a similar argument asserting that the negative narrative on artisanal mining often perpetuated by large-scale mining companies and politicians needs to be critically evaluated. Even though LSM companies might bring in more revenues than ASM miners, in thinking about the extractive sector in Africa as a whole, there is little to be said about the benefits that have been derived from large-scale mining for most Africans.

Of course this can change, though a lot of inefficiencies would have to be addressed in a legitimate, democratic manner as espoused by Engler (2012) and Wolff (2012). While B2Gold might perceive itself to be a socially responsible company, they seem not to be genuine advocates for comprehensive community engagement; they dismiss the skills of artisanal miners who may be eligible to work in the industry; and they prioritize their economic value over their
social mission. This seems to be an apparent contradiction between their stated CSR commitments and their business priorities.

**Endeavour Mining**

Endeavour Mining considers itself to be a “responsible development partner” and also claims to be committed to sustainable development in the areas where it operates (Endeavour’s Management’s Discussion, 2014, p. 24). The company specifically states that:

Endeavour works in collaboration with and engages government, local communities and outside organizations to ensure it supports economic sustainability and social development, with projects including skills training and educational scholarship, healthcare, water and sanitation, public infrastructure maintenance, institutional capacity building and livelihood programs. (“Endeavour Mining: Annual Information”, 2015, p. 7)

In the case of Burkina Faso, the company indicates that it has helped to construct facilities such as clinics, schools and grid power supplies (‘Endeavour’s Management’s Discussion’, 2014).

This point relates to theme 1: community relations/ stakeholder relations and theme 2: local procurement. While Endeavour boasts that it has made positive social and environmental impacts, in review of the company’s reports, the genuineness of their CSR statement appears to be highly questionable. For example, it is interesting to examine Endeavour’s sentiments on the issues of corporate governance and public disclosure regulations. In Endeavour’s ‘Annual Information Form for the financial year ended December 31, 2014’, the company indicates that:

the corporation is subject to changing rules and regulations promulgated by a number of Canadian, Australian and United States governmental and self-regulated organizations. … These rules and regulations continue to evolve in scope and complexity and Endeavour’s efforts to comply with such rules and regulations, and other new rules and regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management’s time and attention from revenue-generating activities to compliance activities. (“Endeavour Mining: Annual Information”, 2015, p. 58)
The above statement relates to theme 3: *laws and regulations*. What the company seems to overlook is that these rules and regulations are there for a purpose and often times these regulations are established in order to encourage responsible mining as well as create shared value for all stakeholders. After all, many of these regulations came into place because of the lack of ‘shared value’. Not only is Endeavour so opposed to regulations, the company has taken a step further to protect its economic interests by incorporating itself under the laws of the Cayman Islands, and yet Endeavour is headquartered in Vancouver, Canada (“Endeavour Mining: Annual Information”, 2015) (theme 3: *laws and regulations*). The company also clearly indicates that it is “exposed to tax risks by virtue of the international nature of its activities. … Changes in taxation law or reviews and assessments could result in higher taxes being payable by Endeavour which could adversely affect profitability and cash flows” (Endeavour Mining: Annual Information”, 2015, p. 58). No wonder the company is incorporated in the Cayman Islands (theme 4: *risk factors*). It is no secret that many MNCs tend to have offshore accounts in order to avoid taxes. According to a CNN article, the Cayman Islands along with Bermuda and British Virgin Islands are among the top tax havens in the world (Petroff, 2015). Needless to say, even though Endeavour mining engages in some aspects of community relations, without taking issues of compliance seriously, their CSR claims remain unconvincing. Furthermore, Endeavour also notes that it engages with stakeholders in order to protect their reputation and revenues (Endeavour Mining: Annual Information”, 2015) (theme 5: *motivations or indicators for engaging in CSR*). As evidenced, one could safely conclude that Endeavour privileges their profits over their social mission (Quarter et al., 2009).

*IAMGOLD*
In the 2014 IAMGOLD annual report, the company proclaims that it has an “excellent social responsibility reputation” (IAMGOLD Annual Report, 2015, p. 10). IAMGOLD is also among the companies on the Jantzi Social Index (JSI) (IAMGOLD Annual Report, 2015). JSI is a stock index that rates companies based on their social, environmental and governance performance (“Sustainability Index”, n.d.). IAMGOLD is also a member of the Devonshire Initiative (DI), an initiative that aims to improve social and community development outcomes in communities where their members operate, most of whom are Canadian mining companies and international development NGOs (“Devonshire Initiative”, n.d.). This initiative was developed in 2007 having emanated from a number of workshops that sought to figure out how mining can benefit all stakeholders (“Devonshire Initiative”, n.d.). By encouraging cross-sector partnerships to try to find common ground, the DI supports its members in the following ways:

- Enhancing in-country capacity to allow communities, regions and countries to more visibly realize the benefits of Canadian mining investments;
- Opening dialogue that creates a better understanding of, and that deepens engagement on, social and community development components of CSR work being done by Canadian mining companies operating in developing countries;
- Enhancing cross-sector Canadian engagement with, and understanding of community development issues; and,
- Sharing innovations and best practices within the mining and development community. (“Devonshire Initiative”, n.d.)

The DI initiative correlates with theme 1: community relations/ stakeholder engagements. While all of this sounds promising, like Endeavour Mining, IAMGOLD also mentions in their MD&A for the ‘year ended December 31, 2013’ that increasing compliance not only adds to their administrative expenses, but it is also a “diversion of management time and attention from revenue-generating activities to compliance activities” (IAMGOLD MD&A, 2014, p. 31). This
point relates to theme 3: laws and regulations. Once again, the desire to accumulate profits takes precedence over doing the right thing.

IAMGOLD has also been accused by some of violating the rights of communities living in the Essakane region (Lavoie-Mathieu, 2013). Some of these accusations include the relocating of host communities to lands that were not as fertile, thus affecting their agricultural productivity and also their livelihood of artisanal mining (Lavoie-Mathieu, 2013) (theme 1 and 2 community relations/ stakeholder engagements and local procurement).

Presenting at a conference at the University of Wageningen in the Netherlands, the president of the village development council of Essakane mentioned that even though artisanal miners have been working in Essakane for over twenty-five years, many have been displaced and have been denied meaningful work opportunities by the mining company (Lavoie-Mathieu, 2013). This is a clear contradiction to IAMGOLD’s CSR statement which reads as follows: “it is our commitment to continually strive to reach the highest standards in human health and safety, minimize our impact on the environment, and work co-operatively with our host communities” (“IAMGOLD: Zero Harm”, n.d). Furthermore, a documentary titled Prospérité sous terre (prosperity beneath the soil) was also exhibited by FIAN International at this conference showing how the Burkinabé have been adversely impacted by IAMGOLD’s operations (Lavoie-Mathieu, 2013). This kind of negative publicity raises a number of doubts about the company’s CSR practices; and while companies may do all they can to protect their reputation, the most believable sign of social responsibility with regard to socio-economic development will be in the realization of sustainable inclusive growth. If communities end up being worse off than before the mining companies arrived, it goes without saying that their CSR claims will not hold water.
This is further illustrated by IAMGOLD’s sentiments towards company public disclosures of payments made by mining companies to Canadian and foreign governments. IAMGOLD considers this form of transparency and accountability a risk to their business (IAMGOLD Annual Information Form, 2015). To-date, public disclosures are not lawfully mandated in Canada, but if they were, the company is concerned that such a regulation would increase administrative costs and it would also be “a diversion of management time and attention from revenue-generating activities to compliance activities” (IAMGOLD Annual Information Form, 2015, p. 34). (Theme 3: laws and regulations, theme 4: risk factors and theme 5: motivations or indicators for engaging in CSR).

It appears that like B2Gold and Endeavour, IAMGOLD engages in some aspects of CSR in order to preserve their “excellent social responsibility reputation”, however it appears that issues of transparency and accountability which are a key component of CSR are insignificant to the company. As Keller points out, “the things CSR has been measuring fail to tell us what’s going on inside companies” (2002, p. 11). IAMGOLD’s CSR practices are not holistic which in turn suggests that the company’s CSR framework may not be an effective intervention to address sustainable development.

**Orezone**

Orezone maintains that a key measurement of the company’s success is determined by the kind of impact they have on their host communities (Orezone, n.d.). Accordingly, on their website, Orezone shares pictures demonstrating local employment and the development of the mine at their Bomboré gold project in Burkina Faso (theme 1: community relations... and theme 2: local procurement). Orezone’s pictures certainly present a positive image. However, pictures
and CSR reports alone do not paint the full picture of how the company may feel about issues such as the increase in environmental and social impact regulation. In Orezone’s ‘annual information form for the fiscal year ended December 31, 2014’, the company notes that:

Laws and regulations involving the protection and remediation of the environment, including those addressing emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations and the governmental policies for implementation of such laws and regulations are constantly changing and are generally becoming more restrictive, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company’s intended activities. (Orezone Annual Information Form, 2015, p. 16)

The above sentiment relates to theme 3: laws and regulations, theme 4: risk factors and theme 5: motivation for engaging in CSR. It is worth noting that Orezone’s statement also demonstrates the contradiction to their CSR commitment: “trust, cooperation, collaboration and a deep respect for the local people, their language, livelihoods, traditions and customs, are at the heart of our approach to exploration and development” (“Orezone: Corporate Social Responsibility”, n.d.).

There is no doubt that environmental conservation and sustainable development will require significant financial investments. However, the sampled mining companies seem to be hesitant to take on this kind of commitment. And as Visser (2011) so eloquently puts it, the “most of the hard-core CSR changes that are needed to reverse the misery of poverty and the sixth mass extinction of species currently underway require strategic change and massive investment” (p. 4). Needless to say, until companies take these issues seriously, it appears that CSR will continue to fail.

Roxgold
Roxgold lists a number of community engagement initiatives on their website (e.g. involvement in apprenticeship programs, sponsorship of sports events, donating furniture to schools, etc.) and also claims to be interested in capacity building initiatives (Roxgold: Corporate Responsibility, n.d.). These activities correlate with theme 1: community relations and theme 2: local procurement. While part of capacity building involves employment and training of locals, Roxgold appears to be concerned about a new mining code implemented by the former Burkina Faso transitional government that mandated this requirement. In Roxgold’s Annual Information Form for the fiscal year ended December 31, 2014, the company notes that the proposed changes to the new mining legislation (i.e. “requirements for employments of local personnel or contractors and other benefits to be provided to local residents”) will affect their business (Roxgold Annual Information Form, 2015, p. 36). This observation relates to theme 2: local procurement, theme 3: laws and regulations and theme 4: risk factors. This concern shows inconsistencies between what they say and how they truly feel. Moreover, it appears that if it were not for government regulations, the company may not prioritize local procurement. Hence, CSR practices maybe a result of external pressures (theme 5: motivation for engaging in CSR).

Roxgold also indicates that the “Company’s property interests are held in areas of Burkina Faso that have historically been mined by artisanal miners. [Hence], as the Company further explores and advances its projects, it may be required to remove any artisanal miners operating on its properties.” (Roxgold Annual Information Form, 2015, p. 41). Put differently, artisanal mining is seen as a risk (theme 4) to the company’s operations, and yet research has repeatedly shown that the removal of artisanal miners always has negative consequences. As Jönnsson and Fold (2011) point out, these kinds of issues are what create tensions and conflicts
between mining companies and local communities. Having examined Roxgold’s reports, it is quite evident that the company’s activities contradict its CSR commitment which states that, “Roxgold is committed to conducting its mineral exploration and development activities in a manner consistent with internationally recognized guidelines and principles for Sustainable Development and Corporate Social Responsibility” (“Roxgold: Corporate Responsibility”, n.d.). Simply put, the genuineness of Roxgold’s CSR efforts are highly questionable.

**SEMAFO**

SEMAFO is a signatory of the United Nations Global Compact, an initiative that promotes sustainable and responsible business practices (SEMAFO, 2012). The company also boasts that it is a leader in CSR (SEMAFO, 2012). As can be seen in SEMAFO’s CSR reports, it appears that the company is quite engaged in quite a number of community initiatives including the hiring of nationals in management positions (SEMAFO Annual Information Form, 2015). In fact the company indicates that:

Local management in Burkina Faso boasts the presence of a former Mining Minister as well as current President of the Mines Association of Burkina Faso and, since 2012, Mr. Tertius Zongo, a former Prime Minister, Minister and Ambassador of Burkina Faso, has joined the Board. This provides management and the Board with the capability of breaching certain cultural barriers and allows the appropriate understanding of local legal, business and operational concerns. (SEMAFO Annual Information Form, 2015, p. 28).

This correlates to theme 1: *community relations* and theme 2: *local procurement*. Furthermore, SEMAFO documents in their 2014 sustainable development report that 75 villages in Burkina Faso have been “beneficiaries of its income-generating projects, new education and health infrastructure…. [And they go on to say that] by aligning its activities to the specific needs of the population, SEMAFO Foundation has acquired humanitarian expertise that promotes education,
agriculture and health” (SEMAFO, 2014, p.20). An important point to keep in mind about companies funding education initiatives is that research shows that one of the biggest challenges of formal education in Africa is that even with the introduction of Universal Primary Education (UPE), attendance may have increased, but not much learning actually happens within these institutions for a number of reasons; hence, learning outcomes of students ought to be the key measurement of success (Fleet, 2012). I would argue that the inefficiencies of UPE are very much a government and community responsibility and so my mention of this is not to put the blame solely on MNCs. This thesis does not get into the impacts of CSR programs in Burkina Faso though it is worth highlighting that while education is extremely fundamental, there continues to be limited success in learning outcomes at the macro-level. The fact that many corporations continue to spend money on schools, needs to be critically evaluated. That being said, only time will tell what will become of these CSR initiatives that have targeted education in Africa. And as mentioned earlier, the educational framework in many formerly colonized nations may be worth problematizing.

In considering the environmental impacts of mining operations, SEMAFO states that it has taken steps to reduce their ecological footprint. The company indicates the following:

We are aware of our social and environmental responsibilities and consequently adopted a series of corporate policies addressed to our employees, and consultants and those of our subsidiaries. Such corporate policies are available on our website and include an environmental policy and a social responsibility policy in which we reiterate our commitment to conduct our business activities in a manner that promotes sustainable development and an improvement in the social welfare of the regions in which we operate. The policies sets out our commitment to limit as much as possible the impact of our activities on the natural environment and the surrounding communities. Accordingly, our environmental specialists have established and abide by strict process management systems so as to protect natural resources and minimize our environmental footprint. Our environmental specialists are responsible for all facets of water and waste management, environmental risks and incidents, as well as the implementation of
employee training and awareness programs. (SEMAFO Annual Information Form, 2015, p. 29).

Based on the above quoted statement, it appears that SEMAFO places a high priority on monitoring and managing their environmental impact. In other words, going above and beyond legal requirements. If this is indeed the case, this is a proactive effort towards environmental protection, thus, more likely to yield better results than most companies who simply meet regulatory standards at a bare minimum (theme 3: laws and regulations).

In examining the CSR inconsistencies, like all the companies mentioned herein, SEMAFO has its own contradictions which have been ultimately shaped by the dominant economic system. SEMAFO points out that they are constantly under pressure to ensure that all stakeholders benefit from their operations (SEMAFO, 2015). They further warn that “the potential consequences of these pressures include reputational damages, lawsuits, increasing social investments obligations and pressure to increase taxes and royalties payable to local governments and surrounding communities” (SEMAFO, 2015, p. 36).

This assertion suggests that these external factors (e.g. public image) might be the actual driving force for engaging in CSR (theme 4: risk factors and theme 5: motivation for engaging in CSR).

4.2 An overview of the CSR stages of the six companies and conclusions from the analysis

Table 4: Overview of CSR stages of the six companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Visser’s CSR ages &amp; stages</th>
<th>Some examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B2Gold Corp.</strong></td>
<td>Greed Defensive</td>
<td>The assertion that stakeholder consultations could affect their project timelines and costs of development</td>
</tr>
<tr>
<td></td>
<td>Philanthropy: Charitable</td>
<td>Invests in education programs</td>
</tr>
<tr>
<td>-------------------------</td>
<td>----------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>Endeavour Mining</td>
<td>Protecting its economic interests by incorporating itself under the laws of the Cayman Islands</td>
<td>Constructed facilities such as clinics, schools and grid power supplies</td>
</tr>
<tr>
<td>IAMGOLD Corporation</td>
<td>Relocating of host communities to lands that were not as fertile, thus affecting their agricultural productivity and also their livelihood of artisanal mining</td>
<td>$7.4 million dollar partnership with PLAN Canada which leverages government funding to deliver training and education in Burkina Faso</td>
</tr>
<tr>
<td></td>
<td>Responsibility: Systemic/transformational</td>
<td>None</td>
</tr>
<tr>
<td>------------------</td>
<td>-------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Orezone Gold Corporation</strong></td>
<td>Greed Defensive</td>
<td>“Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company’s intended activities”. (Orezone Annual Information Form, 2015, p. 16)</td>
</tr>
<tr>
<td>Philanthropy: Charitable</td>
<td></td>
<td>Water and sanitation for Mogtedo College: “The College received 1 well, 10 latrines, including 2 separate washrooms for women, 12 wash stations and training” (Orezone website: Initiatives, n.d.).</td>
</tr>
<tr>
<td>Marketing: Promotional</td>
<td></td>
<td>Videos on the company website demonstrating local employment and the development of the mine at their Bomboré gold project in Burkina Faso</td>
</tr>
<tr>
<td>Management: Marketing</td>
<td></td>
<td>Videos on the company website demonstrating local employment and the development of the mine at their Bomboré gold project in Burkina Faso</td>
</tr>
<tr>
<td>Responsibility: Systemic/transformational</td>
<td></td>
<td>None</td>
</tr>
</tbody>
</table>

<p>| <strong>Roxgold</strong> | Greed Defensive | Removal of artisanal miners |
|            | Philanthropy: Charitable | Involvement in apprenticeship programs, sponsorship of sports events, donating furniture to schools |
|            | Marketing: Promotional | The claim that its mineral exploration and development activities are consistent with internationally recognized guidelines and principles for Sustainable Development and Corporate Social Responsibility. This is not necessarily accurate |
|            | Management: Marketing | Corporate image concerns/ the business case for CSR |
|            | Responsibility: Systemic/transformational | None |</p>
<table>
<thead>
<tr>
<th>SEMAFO Inc.</th>
<th>Greed Defensive</th>
<th>Nothing significant though they do mention that they are constantly under pressure to ensure that all stakeholders benefit from their operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philanthropy: Charitable</td>
<td>75 villages in Burkina Faso have been “beneficiaries of its income-generating projects, new education and health infrastructure</td>
<td></td>
</tr>
<tr>
<td>Marketing: Promotional</td>
<td>The company boasts that it is a leader in CSR</td>
<td></td>
</tr>
<tr>
<td>Management: Marketing</td>
<td>Concerns of reputational damages/ corporate image/ the business case for CSR</td>
<td></td>
</tr>
<tr>
<td>Responsibility: Systemic/ transformational</td>
<td>Places a high priority on monitoring and managing their environmental impact.</td>
<td></td>
</tr>
</tbody>
</table>

Table 4 demonstrates that none of these companies have fully embraced the age of responsibility which is characterized by systemic or transformative CSR (Visser, 2011). Even though some of SEMAFO’s practices could fall under transformational CSR, the fact that it is influenced by external pressures suggests that there is still room for improvement. It is also important to note that Visser (2011) indicates that companies’ practices may show signs of being in a number of stages at the same time. Having assessed the companies’ practices and corporate attitudes, it is safe to conclude that all six companies engage in some philanthropic activities (i.e. charitable CSR); and it appears that they also engage in activities in order to protect their public image (i.e. promotional CSR). Another notable finding was that one company is incorporated in the Cayman Islands (Endeavour Mining: Independent Auditor’s Report, 2015), a popular tax haven destination which could be an indication that this company is in the economic age of greed, characterized by defensive CSR. With regard to systemic CSR, my analysis is that it is
unpopular or difficult to achieve, especially given that all six companies appear to privilege economic interests over their social mission.

Four broad conclusions emerged from the analysis:

1) The results indicate that all six companies in this study perceive themselves as socially responsible.

2) Having reviewed the companies’ annual reports, annual information forms, MD&A documents and other external sources, it appears that the companies are not willing to deal with the root causes that have led to poverty and unsustainability in the areas where they operate. As noted above, B2Gold for instance, is defensive about their operations going as far as claiming that NGOs and other critics are partly to blame for mining companies’ reputational damage (B2Gold, 2014). Similarly, IAMGOLD relocated host communities to lands that were not fertile, thus affecting the communities’ agricultural productivity and their livelihood of artisanal mining (Lavoie-Mathieu, 2013).

3) In addition, as can be observed from the excerpts referenced in section 4.1, that five of the companies (namely: B2Gold, Endeavour, IAMGOLD, Orezone and Roxgold) oppose strict environmental regulations. Whether these regulations are enforced is unclear, but the fact still remains that these regulations exist in order to protect host communities, the environment, host countries, etc. The five companies argue that these increasing regulations will in turn hurt their bottom line. Interestingly, what they neglect to consider is what role they could have played in encouraging governments and other institutions in introducing stricter rules.

4) Finally, given the nature of the mining industry and their desire to maximize profits, some companies do not make a return on their investment until much later in the mining life cycle
(i.e. the production stage). Orezone, for instance, reports that it has incurred losses since inception (Orezone Annual Information Form, 2015). Needless to say, it appears that the nature of the mining cycle makes it challenging for companies to balance competing interests.
Chapter 5: Discussion

5.1 Conclusion

CSR within the context of neoliberalism, has proven to be an inadequate intervention for the shortcomings of capitalism. Notably, many CSR programs have failed to tackle the root causes of poverty, inequality, resource-related conflicts, etc. For instance, as has been demonstrated in the preceding chapters, five of the six companies examined alluded to being opposed to strict environmental regulations. From their standpoint, the amount of capital needed to invest in comprehensive environmental strategies, especially when they are not bringing in much revenue during the first phases of the mining life cycle (i.e. exploration/feasibility and planning, construction/development), could jeopardize their operations. In addition, as documented by Jønsson and Fold (2011), it is not uncommon for tensions and conflicts to occur between artisanal miners and large-scale mining companies. Many large-scale mining companies prefer to get rid of artisanal miners in the regions where they operate, ignoring the fact that artisanal mining has been, and continues to be a vital source of livelihood for local communities. This raises the question as to how mining companies can contribute to sustainable development with seemingly competing demands of maximizing profits, making a return on their investments and ensuring that host communities are not left worse off than they were before the development of mining projects. As pointed out by Kelly (2002), “the system forces that act on all corporations” [i.e. capitalism] (p. 12) is what needs to be addressed, for a plethora of studies have concluded that CSR proclamations have often been used to mask companies’ horrible activities. To tackle this quandary, companies cannot overhaul the economic system on their own.
A number of studies have proposed that governments and civil society ought to be involved in CSR development. Within the context of Africa, government intervention is even more vital as many foreign companies are attracted to regions with lax laws and regulations for obvious reasons. (Esau & Malone, 2013; Idemudia, 2010). For instance, in the case of Burkina Faso, when a new mining code released in 2015 mandated mining companies to contribute 1% of gross revenues into a local development fund, mining companies considered this 1% provision to be high and were briefly able to succeed in negotiating a contribution of 0.5% (Slack, 2015). However, due to the advocacy efforts of civil society organizations, the Burkina Faso government later reverted back to the 1% mandate. This goes to show that establishing CSR guidelines ought to be a collective agenda between mining companies, local communities and the government.

Furthermore, the Canadian government also has a role to play in instituting effective CSR solutions. Establishing a CSR office with a Counsellor who lacks enforcement powers to properly handle dispute resolutions undermines the government’s CSR strategy. Needless to say, if both the government of Burkina Faso and the Canadian government fail to implement strict measures on issues such as corruption, corporate accountability, transparency of mining contracts as well as legitimate democratic systems, Burkina Faso may never equally benefit from its current bilateral trade relations with Canada given that Canada’s main interests are primarily invested in Burkina Faso’s mining sector.

5.2 Limitations of the study and directions for further research
It should be noted that this study had two major limitations. Firstly, as noted in the methods chapter, I did not interview employees who could have provided me with more information on the mining companies’ CSR practices. Assumptions made were therefore based on a thematic analysis of companies’ archives and other textual sources available within the public domain. Secondly, this study does not measure the social impact of the companies’ specific CSR activities as fieldwork evaluation would be necessary.

What this study however does is draw conclusions based on the companies’ commitments vis-à-vis their perceptions and stated priorities and also draws upon Visser’s (2011) ages and stages of CSR to help analyse the data. In considering the literature and the results derived from the content analysis of this study, it may be concluded that CSR within the framework of capitalism appears to be a major impediment to achieving sustainable development. Thus, it might be worthwhile for future studies to empirically examine the impact of CSR and mining within alternative economic models. This thesis takes the stance that economic democracy, a system that strives to ensure that equal opportunity procedures are in place at all levels (political, social and economic) creates a more balanced approach. For instance, some studies could explore CSR practices of mining companies that embrace economic democracy or a social economy framework. Whether there is even such a company (i.e. a mining company that embraces social economy principles) would be an interesting discovery. Thus, a comparative study of such companies (i.e. capitalist vs. social economy organizations) would be useful in assessing whether it is possible for an alternative economic model to transform the mining industry, so that the narrative of local communities being left worse off than they were before the development of mining projects will no longer be the dominant story told.


from http://www.oxfam.ca/blogs/africa-rising


Desilver, D. (2014, October 9). For most workers, real wages have barely budged for decades.


Engler, A. (2014, January 31). Capitalism is the problem, economic democracy is the solution.


Idemudia, U. (2010). Corporate social responsibility and the Rentier Nigerian state:


Prince, R. (2014, November 4). The “upright men” of Burkina Faso wish President Compaoré a


Shelley, F. (2013). *Nation shapes the story behind the world's borders*. Santa Barbara, CA: ABC-CLIO, LLC.


### Appendix A: Coding scheme

The following describes how the data was coded

<table>
<thead>
<tr>
<th>Code (C)</th>
<th>Explanation of code</th>
<th>Example (Endeavour Mining)</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1 – Country of incorporation</td>
<td>This code identifies the country where the mining company is incorporated or legally registered</td>
<td>“The Corporation is incorporated in the Cayman Islands and its registered office is located at 190 Elgin Avenue, George Town, Grand Cayman, Cayman Islands” (Endeavour Mining: Independent Auditor’s Report, 2015, p. 5)</td>
</tr>
<tr>
<td>C2 – Headquartered</td>
<td>This code identifies the country where the mining company is headquartered</td>
<td>The Corporation's corporate head office is located in Vancouver Canada (Endeavour Mining: Annual Information Form, 2015)</td>
</tr>
<tr>
<td>C3 – Publically traded</td>
<td>This code identifies companies listed on the Toronto Stock Exchange (TSX) and the TSXV Venture Exchange (TSXV)</td>
<td>“Shares are listed on the Toronto Stock Exchange (symbol EDV)” (Endeavour Mining: Independent Auditor’s Report, 2015, p. 5)</td>
</tr>
<tr>
<td>C4 – CSR commitments</td>
<td>This code identifies the mining company’s CSR commitments, specifically issues of environmental protection, collaboration with stakeholders, governance and sustainable development</td>
<td>“In September 2014, Endeavour and the Monaco Red Cross entered into project agreements to implement water, sanitation and community-based health programs in communities surrounding the Corporation's mine sites in Burkina Faso and Côte d'Ivoire” (Endeavour Mining: Annual Information”, 2015, p. 57)</td>
</tr>
<tr>
<td>Code (C)</td>
<td>Explanation of code</td>
<td>Example (Endeavour Mining)</td>
</tr>
<tr>
<td>---------</td>
<td>----------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>C5 – Risk factors</td>
<td>This code refers to how the mining company perceives risk, or what they consider to be a risk to their operations</td>
<td>“Endeavour is exposed to tax risks by virtue of the international nature of its activities. … Changes in taxation law or reviews and assessments could result in higher taxes being payable by Endeavour which could adversely affect profitability and cash flows.” (Endeavour Mining: Annual Information”, 2015, p. 58).</td>
</tr>
<tr>
<td>C6 – Community relations</td>
<td>This code refers to how the mining company describe their engagement with host government and the local communities. It also looks at conflicts that might have arisen.</td>
<td>“Endeavour sees itself as an integral part of the communities in which it operates, as well as a responsible development partner. Endeavour works in collaboration with and engages government, local communities and outside organizations to ensure it supports economic sustainability and social development, with projects including skills training and educational scholarship, healthcare, water and sanitation, public infrastructure maintenance, institutional capacity building and livelihood programs” (“Endeavour Mining: Annual Information”, 2015, p. 7)</td>
</tr>
<tr>
<td>C7 – Local procurement</td>
<td>This code looks at how the company regards the employment of local personnel, capacity building as well as obtaining services and supplies from the host country</td>
<td>No significant information on local procurement was identified in the data</td>
</tr>
<tr>
<td>Code (C)</td>
<td>Explanation of code</td>
<td>Example (Endeavour Mining)</td>
</tr>
<tr>
<td>----------</td>
<td>---------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>C8 – Artisanal mining</td>
<td>This code looks at how the company views artisanal and small-scale mining by locals</td>
<td>“Endeavour faces risks associated with artisanal mining on its properties. Artisanal miners may compromise the safety at the Corporation's mines, cause contamination of the environment as the result of unauthorized use of chemicals, including cyanide, and in certain cases, accelerate the depletion of the Corporation's ore bodies.” (“Endeavour Mining: Annual Information”, 2015, p. 56).</td>
</tr>
<tr>
<td>C9 – Governance and compliance</td>
<td>This code refers to how the mining company perceives the rules and regulations established to ensure responsible mining</td>
<td>“Endeavour’s efforts to comply with…rules and regulations, … have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management’s time and attention from revenue-generating activities to compliance activities. (“Endeavour Mining: Annual Information”, 2015, p. 58)</td>
</tr>
<tr>
<td>Code (C)</td>
<td>Explanation of code</td>
<td>Example (Endeavour Mining)</td>
</tr>
<tr>
<td>----------</td>
<td>----------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td><strong>C10 – Motivation</strong></td>
<td>This code looks at what motivates the company to engage in CSR</td>
<td>The Corporation must also continually engage with stakeholders, local communities and other interested parties such as non-governmental organizations regarding the environmental and social impact of its operations and undertake steps to mitigate such impact where feasible. The Corporation's potential failure to meet the environmental, health and safety expectations of these various stakeholders may harm its reputation, as well as its ability to bring projects into production, which could in turn adversely affect its revenues, results of operations and cash flows, potentially in a material manner. (“Endeavour Mining: Annual Information”, 2015, p. 53)</td>
</tr>
<tr>
<td><strong>C11 – CSR stage(s)</strong></td>
<td>This code assesses the CSR stage(s) the company might be at (i.e. Visser’s ages and stages of CSR)</td>
<td>Defensive, charitable, promotional, strategic</td>
</tr>
</tbody>
</table>
Appendix B: An example of how the results were organized

<table>
<thead>
<tr>
<th>Company</th>
<th>CSR commitments</th>
<th>Themes</th>
<th>Visser’s CSR Age &amp; stage</th>
<th>Other documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2Gold Corp.</td>
<td>“B2Gold is committed to responsible mining. Simply put – this means doing the right thing. Our business decisions incorporate careful consideration of people’s health and safety, environmental protection, and community well-being” (“B2Gold: Responsible Mining”, n.d.).</td>
<td>Theme 1: Community relations (e.g. Artisanal support)</td>
<td>Greed: Defensive</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Theme 2: Local procurement (Artisanal support)</td>
<td>Example: the assertion that stakeholder consultations could affect their project timelines and costs of development</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Theme 3: Laws and Regulations (Environmental impacts = significant capital outlays)</td>
<td>Philanthropy: Charitable</td>
<td>Example: Invests in education programs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Theme 4: Risk factors (NGOs and others who challenge their operations)</td>
<td>Marketing: Promotional</td>
<td>Example: Reputation concerns</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Theme 5: Motivation or indicators for engaging in CSR (External pressures, concerns of reputation)</td>
<td>Management: Marketing</td>
<td>Example: ‘Abide’ by environmental regulations to minimize risk, reputation concerns</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Responsibility: Systemic</td>
<td>Example: None</td>
</tr>
<tr>
<td>Company</td>
<td>CSR commitments</td>
<td>Themes</td>
<td>Visser’s CSR Age &amp; stage</td>
<td>Other documents</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------</td>
<td>--------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>IAMGOLD Corporation</td>
<td>“It is our commitment to continually strive to reach the highest standards in human health and safety, minimize our impact on the environment, and work co-operatively with our host communities” (“IAMGOLD: Zero Harm”, n.d.).</td>
<td>Theme 1 (DI initiative; violating the rights of communities living in the Essakane region)</td>
<td>Greed: Defensive</td>
<td>Alternatives International Journal (Lavoie-Mathieu, G, 2013)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Theme 2 (Violating the rights of communities living in the Essakane region)</td>
<td>Example: Relocating of host communities to lands that were not as fertile, thus affecting their agricultural productivity and also their livelihood of artisanal mining</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Theme 3 (Public disclosures)</td>
<td>Philanthropy: Charitable</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Theme 4 (Feelings towards mandated public disclosures)</td>
<td>Example: $7.4 million dollar partnership with PLAN Canada which leverages government funding to deliver training and education in Burkina Faso</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Theme 5 (External pressures, concerns of reputation)</td>
<td>Marketing: Promotional</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Example: proclaims that it has an “excellent social responsibility reputation”</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Management: Marketing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Example: Reputation concerns</td>
<td></td>
</tr>
<tr>
<td>Company</td>
<td>CSR commitments</td>
<td>Themes</td>
<td>Visser’s CSR Age &amp; stage</td>
<td>Other documents</td>
</tr>
<tr>
<td>---------</td>
<td>-----------------</td>
<td>-------</td>
<td>--------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Responsibility: Systemic</td>
<td>Example: None</td>
</tr>
</tbody>
</table>