Silences in Corporate Social Responsibility Reporting and the Potential of Alternative Forms of Reporting: A Case Study of the Mining Industry in Tanzania

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Abstract
An increasing number of transnational corporations are providing socio-economic and environmental information as a way of justifying their commitment and social obligations to the society. Drawing on themes within sociological theories, the study raises questions on the potential of the contemporary CSR reporting in giving visibility to voices of marginalised social groups within a developing country context, namely Tanzania. It argues that CSR as an aspect of social accounting disclosure has often been used as a language to legitimise the power of the privileged group in the capitalist society. The study calls for alternative reporting with potential to create visibility to the voices of the marginalised social groups about pervasive social unrest and dislocation, employee grievances and disputes, pollution and environmental degradation and other social and environmental problems which prevail in the Tanzanian mining sector but have arguably remained invisible within corporate disclosures.

Key words:
Corporate social responsibility, globalisation, silences, Tanzania
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1. Introduction

“The technology of silence, the rituals, etiquette, the blurring of terms, silence not absence of words . . . Silent can be a plan, rigorous executed the blue print to a life, it is a presence, it has a history and also a form . . . . Do not confuse it with any kind of absence”.

Adrienne Rich

Rich’s poem, ‘Cartographies of silence’, in the dream of common language, remains one of the astounding classical poetry in our times which problematise the dilemmas of language, communication and knowledge within a social discourse. Rich described a dream of finding a language with capacity to free itself from its own history, and with the power to escape the lengthening shadows of hegemonic patriarchy and masculine social system.

Here, to contribute to the emerging literature on the rhetoric of CSR disclosures (Belal and Cooper, 2011; Chwastiak and Young, 2003; Cooper, 1992; Gallhofer, 1998), this study aims to examine the absence of marginalised voices within CSR reporting. Central to this study is the influence of power on communication, knowledge production and the ways in which relations of power shape the (re)production, marginalization or silencing of different forms of knowledge. As Boltanski and Chiapello (2005) argued that the privileged social group always rely on the dominant ideology, that has the ability to permeate the whole set of mental representations (p.58). The study therefore seeks to understand how the unequal power relations embedded within the CSR discourse (see Cooper, 1992; Cooper et al., 1992) has often reproduces the masculinity and patriarchy priorities of the capitalist economy and subsequently silences or undermines the voices of significant other social constituents within a developing country context. Arguably, rather than exposing socio-economic and environmental conflicts embedded within the capitalist production system, CSR reporting has often been deployed in order to obfuscate these conflicts (see Puxty, 1986; Tinker et al., 1991). In doing so, it further legitimises both

corporate activity and the social structures that such activity depends upon (Spence, 2009). As a consequence, voices of suppressed social groups mostly in developing countries have often remained masked within corporate social representations (see Chwastiak and Young, 2003; Gray, Dillard and Spence, 2009). Yet it has been noted (for example by Belal and Cooper, 2011; Chwastiak and Young, 2003; McNicholas and Barrett, 2005) that little such research has as yet been generated within the accounting literature.

Although the last decade has seen considerable increase in the volume and variety of literature on CSR, scholars appear to be preoccupied with making sense of presence of CSR reporting using a variety of theoretical framework (see for example, Adam, 2002; Belal, 2001; 2008; Belal and Own, 2007; Deegan, 2002; Gray et al., 1995; Islam, 2005; Kuasirikun, 2005). Relatively, little scholarly attention is paid on the rhetoric of silences on corporate social disclosures that has repeatedly ignored the voices of suppressed other social groups directly affected by corporate acts or omissions (for example see, Chwastiak and Young, 2003; Belal and Cooper, 2011). For example, a number of critical scholars have paid attention on the silences of women voices within the accounting field using a variety of critical feminist theories (Cooper, 1992; Gallhofer, 1998; Hammond and Oakes, 1992). This study however argues that in contemporary global economy the corporate quest to increase profits often bring corporations into conflicts with other significant stakeholders groups such as employees, local communities and environment (regardless of their gender). Recently, Chwastiak and Young (2003), explored the silences in company annual reports and were of the view that ‘to rationalise the creation of markets in developing countries, corporations silence the poverty, disease and hunger experienced by a majority of people’ (p.549). More recently, Belal and Cooper (2011) explored the absence of eco-justice issues (child labour, equal opportunity and poverty alleviation) in order to understand the reasons for corporate reluctance to report eco-justice issues in CSR reports in Bangladesh.

Thus, this study aims to offer some insights on the absence of the concerns and needs of the ‘oppressed social groups’, whose voices are often rendered invisible within the corporate social disclosures from the Tanzanian socio-political context. Tanzania is one of the worlds’ mineral richest countries, but for many years, it has

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2 This includes theories such as legitimacy, stakeholder and political economy.
remained comparatively poor, with stagnant economic growth and deteriorating social services (UNDP, 2010). In particular, the study focuses on the Tanzanian mining sector, a sector dominated by giant transnational corporations, but their actions have left much to be desired for employees, local communities, environment, and society as a whole. In fact, mining companies have been alleged for causing environmental pollution, grievances at workplaces and social unrest in the local communities, yet these antagonisms are rarely disclosed in their social reports (see Bitala, 2008; Kitula, 2006; *The Guardian*, 16 July, 2009).

Drawing from the experience of extensive fieldwork conducted in the mining sector of Tanzania, the study cross examine the claims made by companies about their commitment to social obligations against the views of NGOs, employees and local community members on environmental management, employee relations and community relations. In this way the study may be able to underline the concerns of the selected under-represented social groups about employee grievances, social dislocation, pollution and environmental degradation which have occurred, and which continue to occur within the Tanzanian mining sector, but rarely appear in the CSR reports. By giving substantial consideration to the local contextual difference, the paper may be able to propose potential changes, of relevant here is the call for alternative accounting to allow the oppressed other social groups a voice in an extremely difficult and underdeveloped socio-political context, such as Tanzania. In doing so, the study also aim to responds to the continuing calls for accounting researcher to explore the potential of alternative reporting in mobilising public opinion (Georgakopolous and Thomson, 2008; Dey et al., 2008).

In order to discuss the above issues, the paper proceeds as follows. Section 2 provides an overview of the literature. Section 3 considers the sociology of silencing as a framework for understanding how the privileged/dominant groups generally succeed in legitimising their own agenda through their language, communication and representation. It argues that silencing signifies the existence unequal power relations embedded within the CSR discourse. Section 4 examines the Tanzanian mining sector in order to provide a social context for understanding CSR practices within the sector and the country in general. Section 5 provides some evidence to argue that CSR reports have remained silent about the socio-economic and environmental

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3 The paper does not aim to address all the silences in CSR reports, but instead focuses on the most reported pressing socio-economic and environmental concerns in Tanzania.
consequence of mining activities in Tanzania. The section argues that there is a need for alternative forms of reporting which expose the narrowness of social reporting and voice the concerns of the oppressed social groups in Tanzania. Section 6 provides a summary and conclusions and makes suggestions for possible reforms.

2. Literature Overview

Over the last decade or so, a whole new corporate language, championed by multinational corporations, has evolved around the notion of more ethical and responsible business practice. In response to the public concern over the negative consequences of the current form of capitalism, corporations are engaging increasingly in social and environmental reporting (see Adams, 2002, 2004; Bebbington et al., 2007; Buhr, 2007; Gray et al., 1995; Gray, 2006; Parker, 2005). However, corporate social disclosures have been increasingly scrutinised and contested on grounds of what they include and what they exclude (Belal and Cooper, 2011; Burchell et al., 1980; Chwastiak and Young, 2003; Puxty, 1986; Sikka, 2010; Tinker et al., 1991, Young, 2003). Given the fundamental assumption of corporate reporting as expressed in conventional accounting based documents such as annual reports and CSR reports is to communicate information to various social constituents, what is disclosed is arguably to be of significant as what is silenced. It has been argued that through inclusion by measurement and disclosure, important and relevance are assigned to some matters of business, but through exclusion some social, economic and environmental issues have repeatedly been excluded (Young, 2003 p.621). Particularly, the voices of suppressed social constituents within the capitalist society may often be hidden by the dominant corporate social disclosures. As Puxty (1986) has suggested that, in providing additional information in annual [and other accounting] reports, companies rarely account for other things, but merely justify the accumulation of capital, which often satisfy the demands of the few (p.103). CSR discourse in this context is increasingly seen to be embedded within the contradictions of capitalist economic system. Rather than the questioning the inherent contradictions within the capitalist production relations, the contemporary accounting based modes of communication such as financial reports and CSR reports have arguably been used to facilitate the pursuit capital and profits (Arrington and Puxty, 1991; Puxty, 1986; Sikka, 2010, 2011; Tinker et al., 1991). As a consequence, the concerns and needs of
the less privileged social constituents are often subordinated to interest of capital. Corporate social reporting specifically has arguably remained subjective with vast implications, what it chose to represent/communicate or silence remained debatable (see Lehman, 2012). It has been argued that by specifying what can be documented and what can be ignored, accounting [including social reporting] constructs the seeable and the sayable (Oakes et al., 1998), thus separates what is important from what is not. As Graham (2013) argues:

‘If accounting is regarded as a language . . . Rather than being considered as objective . . . it can be recognized as being crafted to get a message across. . . [this] get[s] immediately at power relationships and the structure of the field of accounting’ (p. 4).

In a similar manner Puxty (1991) emphasised that CSR reporting is in itself no challenge to the power relations since it leaves the basic structures in place, and often lead to their legitimization (p. 37). CSR in this context has been mobilised to protect the dominant group interests rather than challenging the status quo (Owen et al., 2000; Gallhofer and Haslam, 2003). Therefore, CSR has arguably become a social and institutional practice that increasingly concerned with the creation of a particular pattern of organisation visibility, through what it includes as well as what it excludes (Cooper and Sherer 1984; Neimark, 1982; Spence, 2007; 2009). As Spence (2009) stressed:

‘While the current CSR practice is widely perceived to cherry pick good news, it ignores the more fundamental social issues such as wealth distribution, refuses to undertake an overall environmental impact analysis, instead preferring to focus on disaggregated data and efficiency measures’ (p.209).

It is in this background that McNicholas and Barrett (2005) called for serious attention to be paid to the further development and refinement of critical empirical research to give ‘voice’ to the oppressed and under-represented (p.395). As a response, in recent years, a number of scholars have argued in favour of developing alternatives forms of reporting (e.g. Shadow accounts) to challenge the dominant forms of economic organisations that privileges certain interests as well as a commensurately selective approach to accountability mechanisms (Gray, 1997; Gibson et al., 2001; Gallhofer et al., 2006; Dey, 2007; Dey et al., 2008). Shadow accounting can be considered as a technology that measures, creates, make visible, represents, and communicates evidence in contested arena characterised by multiple often
contradictory reports (Dey et al., 2010). It has been argued that shadow accounts have potential in creating visibility to the voices of the oppressed social groups (Adams, 2004; Bebbington and Thompson, 2007; Cooper et al., 2005; Sikka, 2010). Shadow accounts can be used to problematise and challenge dominant institutional ideologies. As Gray (1997) argued that it should be possible to produce shadow accounts (external) of an organisation’s activities by systematically collating and verifying wider publicly available information sources from agencies such as governments, NGOs and other civil society groups, and the wider media.

Shadow accounts have often been used to disclose contradictions between what companies choose to report and what they silence. As alternative forms of reporting, shadow accounts represent a shift from corporate-centred communication towards more independent and stakeholder driven approach (Dey, 2007; Gibson, et al., 2001; Gray et al., 1997). Spence (2009) argued, ‘social reporting that is not undertaken by corporations but by civil society organisation’ represents a much more substantive attempt to expose the contradictions that permeate current modes of economic organisation’ (p.206). As external reports, shadow accounts are often designed to challenge the hegemony of corporation, their audience include not only the companies directly causing the problematic impacts, but also various constituents such as NGOs, political institutions, stakeholders, the media and the general public (Gray, 1997; Harte and Owen, 1987; Cooper et al., 2005).

As shadow accounts attempt to challenge and problematise those currently in a dominant position of power, this creates space where the voices of oppressed social groups can be heard (Brown et al., 1999). The emancipatory potential of shadow accounting has increasingly been acknowledged in the literature (Adams, 2004; Bebbington and Thomson, 2007; Cooper et al. 2005; Harte and Owen, 1987; Harte and Owen, 1987; Harte and Owen, 1987).

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4 A number of NGOs have been involved in this undertakings, for example, Tax Justice Network, Christian Aid and Friends of the Earth have been upfront in problematising corporate power and the governance challenges attributed thereon especially in developing countries. Christian Aid and Friends of the Earth have produced ‘alternative’ accounts of organisations such as Shell and Exxon. Friends of the Earth, also have been producing an annual ‘Other Shell Report’ since 2002 that documents Shell’s social and environmental impacts in various contexts. The ‘Other Shell Reports’ (2002, 2004, 2005, 2006) engage the voices of communities affected by Shell around the world in order to highlight the company’s poor CSR practice and outline where Shell is failing to comply with guidelines and international human rights laws. Friends of the Earth produce anti-accounts on other organisations as well, including Anglo Gold America, Barclays and BP. These reports tell a somewhat different story from what is portrayed in the in the CSR reports (see also Christian Aid, 2004).
Gallhofer et al., 2006; Gray, 1997; Solomon and Thomson, 2009). The next section presents some theoretical issues.

3. CSR Discourse, Communication and Silences: Some Theoretical Issues

A number of broad, overlapping groups of theories concerning information flows between organisations and society have been used to locate CSR within a theoretical context (Gray et al., 1995; Moerman and Derlaan, 2005). For example, socio-political theories including agency, legitimacy, and stakeholder theories have often been used in the CSR literature to understand the nature and level of corporate social disclosure (Deegan and Gordon, 1996; Gray et al., 1995; Guthrie and Parker, 1989; Patten, 2002; Spence, 2007, 2009). These overlapping theories suggest that corporate social disclosure is a function of social and political pressures facing the business corporation in the contemporary global economy. However, as these theories tend to be often centred on economically based class, they repeatedly pay little explicit attention the social and politics dynamics that revolve around class, ethnicity, gender and other social identities that prevail in the contemporary world (see for example Seidman, 1994; Brown, 1994). This paper argues that within the contemporary global economy the neoliberal market ideology and wealth accumulation justification often bring powerful corporation into conflicts with significant other social groups whose voices are rarely represented within the corporate disclosures. In this regards, CSR discourse, a practice developed in response to increasing public pressure on corporate power (see for example Shamir, 2010), is considered to be inextricably entangled with the very constitution of power relations, social identities and class struggles (see Boltanski and Chiapello, 2005; Puxty, 1986; Tinker et al., 1991). Thus there is a need to appreciate class struggles experienced within the CSR discourse, as the privileged/dominant groups generally succeed in legitimising their own agenda and ways as superior to those of lower classes though language and communication (see Bourdieu, 1994).

Thus the paper the engages with theoretical debates within the social sciences in order to challenges the contours of the contemporary social reporting which arguably focus on the interest of dominant social actor and inevitably undermine that of the marginalised other social groups. It first considers the sociology of silencing in order to understand the process by which the voices of marginalised social groups
may be routinely suppressed and silenced within the corporate social disclosures. In particular, the study pays attention to the broader socio-political and economic context of language, communication and the power relations embedded within CSR discourse. It argues that CSR reporting is a language which is often used to legitimise the actions of the dominant social group (corporation) (see Cooper, 1992; Moore, 1992).

3.1 Understanding the Silencing of Silent Voices

Communication within a social discourse can be viewed as a dynamic and a systematic process in which meanings are created, conveyed and reflected within social interactions (Wood, 1993). Within such communication, knowledge is arguably often produced from a specific social position exhibiting particular dominant interests, values and beliefs (Seidman, 1994 p.10). Knowledge is viewed as politically constituted, made by the dominant actor communicative action that develops historically and is institutionalised politically (Brown, 1994 p.229).

It has been argued that language, communication and silence work together, each shaping and generating the other in a natural dynamism of meaning-making (Picard (1952). Picard offered a notable expression of silence:

There is something silent in every word, as an abiding token of the origin of speech. And in every silence there is something of the spoken word, as an abiding token of the power of silence to create speech (p. 24).

Language, its use, power and silences, has been a foremost concerns amongst critical sociologist scholars especially, feminist theorists, for many years. For example, Feminist poet and scholar Adrienne Rich in her poem Cartographies of Silence (1978) posited that, ‘... silence can be a plan, rigorously executed, the blueprint of a life . . . it is not an absence’. Silence in this context can be theorised as a presence which occurs within a discourse to signify the modalities of power relations. The imbalances of power may lead to the privileging and silencing of particular discourses within a socio-political context (see Said, 1993). Within the critical feminist perspective, silence is considered as the outcome of hegemonic masculinity and patriarchy capitalist system (Brown, 1996; Hammond and Oakes, 1992; Glenn, 2002). Critical feminist theorist recognise the construction of power relations through language and criticises the masculinity of the positivist tradition with its separation of the knower from the known and its emphasis on quantitative information (see Hammond and
Oakes, 1992 p.61). As Glen (2002) argued, those silenced by power - whether overt or covert - are not people with nothing to say but are people without a public voice and a space in which to say it (p.20). In this way, ‘truth’ is linked to systems of power that influence the production of dominant discourses and systems to create and regulate privileged ‘regimes of truth’ (Foucault, 1980). Dominant group set the rules of the game, such other groups participates in the pursuit of the dominant interests possibly unknowingly or in the belief that they are pursuing their own interest (see Foucault, 1980; Oakes et al., 1998). Foucault underlined the connection between silence and power relations in a discourse:

‘Discourses are not once and for all subservient to power or raised up against it, any more than silences are . . . Discourse transmits and produces power; it reinforces it, but also undermines and exposes it, renders it fragile and makes it possible to thwart it. In like manner, silence and secrecy are a shelter for power, anchoring its prohibitions; but they also loosen its hold and provide for relatively obscure areas of tolerance’\(^5\).

In the above context, silence is considered as an act of language/communication involving forms of selection, representation and communication of the dominant social actors. Silence is often reproduced by structures within the society, and leads to and from actions on the various levels of society. Silence in this study, is considered as a socially constructed practice which occurs within a discourse that constructs and shapes our understanding (also see Thiesmeyer, 2003). It signifies ‘gaps in information’. Silence hold meaning, its meaning is seen to arise from its function, which produces not only silences but also other discourses to mask the silenced voices (Thiesmeyer, 2003 p.12). Silence is also conceptualised as being silent, a shared understanding that need not be voiced, it can be a form of power, and the need to speak, to voice represents a loss of power (Fluvish, 2010). In silencing, representation may become misrepresentation in order to reinforce unjust power structures and institutional hierarchy. Thus, silence can as well be considered as the simplest way of refraining from publicly acknowledging something of which the powerful actor is fully aware (see Zerubavel, 2010).

Within the social accounting context, social position and language have arguably been instruments not only of knowledge production and communication but

also of domination and power (see Puxty, 1986; Tinker et al., 1991). For example, by introducing new vocabularies and associating various notions with specific monetary (or non-monetary) definitions and measures, arguably, corporation redifnes the stakes to be valued and the interests to be pursued; accordingly, it designates what can be disclosed and can be ignored (see Everett, 2003; Oakes et al., 1998). Language and communication within the corporate disclosures not only expresses the corporate views but also constitute the patriarchy and masculine identity and position. Following this stand, CSR reports, have been widely accepted as a means by which companies make visible and communicate their ‘constructed reality’ (Hines, 1988) to their various stakeholders (Hopwood, 1996). Despite their emancipatory rhetoric, CSR discourse has been defined by narrow business interests, as ideological movements that are intended to legitimise and consolidate the power of large corporations and arguably serve to curtail the interests of marginalised social groups (Banerjee, 2008; Puxty, 1986; Tinker et al., 1991). CSR discourse often seeks to reinforce and legitimise certain regimes of truth, meaning and knowledge. That is, what is included and excluded in the CSR disclosures may itself contributes to the construction of wider social realities and the way people make sense of the world (see Boyce et al., p.50). Yet, the power relations embedded within the discourse of CSR however tend to restrict the meaning of information conveyed to various social constituents. As corporation has become the most powerful entity, they arguably have been able to influence CSR discourse to save the interest of the wealthier segments in the society (Catchpowle et al. 2004; Hammond and Oakes, 1992; Tinker, 1985, 1991). In overall, CSR reporting often produce one-sided constructions of reality that serve and legitimise narrow, particular social and economic interests (Tinker, 1985; Richardson, 1987; Tinker, 1991; Chua, 1996; Catchpowle et al. 2004). As Boyce (2008) argued that, ‘business systems remain largely blind to the social and environmental costs of corporate activities as these ethical spill-overs are ignored and masked by conventional accounting system and their representations. Similarly, Neimark (1992) stressed that:

‘We see social accounting as forming part of the symbolic universe of language, signs, meanings, norms, beliefs, perceptions and values, through which individuals and institutions define themselves. As they strive to create and maintain the conditions for their continued profitability and growth, companies use social accounting to construct themselves and their relationships with others (p.100).
Thus, rather than questioning the existing economic structure with its inherent contradictions, arguably, social and environmental accounting allows, and indeed encourages, continuance of the present social order through legitimating destructive actions and producing political quietism (Cooper, 1992). Everett (2004) argued, ‘the voices of those most affected by damaging corporate activities have too often been absent from social and environmental reports’ (p. 1079). There is therefore a need to develop a framework for voicing these marginalised social groups concerns. The following section examines the mining sector of Tanzania - a sector dominated by large transnational corporations - in order to draw attention to dilemmas faced different social groups within the sector.

4. The Tanzanian Mining Sector

Tanzania is post colonial country which gained its independence from Britain in 1961. As a newly independent country, Tanzania experienced considerable economic challenges, which acted for a thrust for major policy and institutional changes (Lauwo, 2011). It has also experienced, and continues to experience, severe and widespread poverty, with 96.6% of its population living on less than US$2 per day (UNDP, 2009). In order to address the widespread poverty, Tanzania has sought to attract foreign investors, and has had to adopt the structural adjustment programmes (SAPs) of the World Bank (WB) and the International Monetary Fund (IMF). SAPs require the Tanzanian government to implement free trade and liberalisation policies, which in turn have increased the inflow of foreign investment and MNCs’ operations. Such operations, however, have mainly dominated lucrative sectors such as mineral and oil extraction (Kulindwa, 2002; Kulindwa et al., 2003). Thus, following the liberalisation of the Tanzanian economy in the 1990s, a number of multilateral and bilateral agreements were entered into, with most of them being in the mining sector (SID, 2009). Tanzanian mining sector social context however has been traditionally shaped by the pressing concerns of attracting foreign investment and long term economic development (see Lauwo, 2011).

As part of reforms, the government of Tanzania adopted the WB and IMF liberalisation policies and SAPs in the mining sector in order to provide attractive investment environment for foreign capital. The WB project led to the development of the Mining Policy document in 1997. The Mining Policy 1997 played a significant
role in transforming the Tanzanian mining sector and integrating it into the global market (Christian Aid Report, 2009). For example, to attract foreign investors in the mining sector, the Mining Policy offered a variety of investment incentives in mining investment by multi-national mining corporations, and the repatriation of profits and capital (see Lauwo, 2011; Havnevik, 1993). The new mining policy provided the regulatory framework which promoted MNC investment in Tanzania. The increase in MNC mining operations resulted in the expansion of FDI in the Tanzanian mining sector. For example, from 1996 to 2006 more than US$1.5 billion was invested in the sector by MNCs (Lange, 2006). However, despite this contribution, the reality is that much is left to be desired by local communities, employees, the government and by society as a whole (URT, 2008; Curtis and Lissu, 2008; Christian Aid, 2008, 2009; SID, 2009). Arguably, economic considerations have been the central focus of the mining policy which in turn prioritises corporate interests often at the expense of the wider societal concerns (see Lauwo, 2011). In fact, the regulatory framework governing the mining sector contains only minimal obligations with regard to the performance and disclosure of CSR on the part of MNCs (see Lauwo, 2011; Curtis and Lissu, 2008). As a result, there is evidence to show that the negative socio-economic and environmental impact of mining activities in Tanzania has increased considerably in recent years (see Kitula, 2006; Curtis and Lissu, 2008; Lauwo, 2011). For example, large quantities of waste generated from mining processing contain heavy metals, potential acids and chemicals which often cause land and natural water source pollution (Ramasar et al., 2003). Mining activities have been alleged for causing social unrest in local communities due to the forceful eviction of local people, whose livelihood depended on mining activities, in order to give way to foreign investors (see Kitula, 2006; Curtis and Lissu, 2008; Lauwo, 2011). Employee grievances in the mining sector have increased significantly in recent years (see Curtis and Lissu; Lauwo, 2011). Mining employees have complained about violations of their human rights, such as their rights to equality and non-discrimination, freedom of association, collective bargaining, and freedom of speech (ibid). However, employee grievances, social unrest, environmental pollution and environmental degradation caused by mining activities in Tanzania are rarely disclosed in CSR reports.

6 In 2007, Tanzania became the fourth highest of the developing countries in respect of MNC exploration projects (after Peru, Chile and Indonesia) (UNCTAD, 2007). The companies holding the mineral rights in Tanzania are predominantly from the UK (Anglo American), Canada (Barrick), South Africa (Anglo Gold Ashanti), and Australia (Resolute).
Tanzanian government has indicated a willingness to introduce policies and institutional structures to promote transparency, good governance, public accountability and responsibility in the mining sector (Lauwo, 2011). However, the desire to attract foreign investment to stimulate economic growth, employment and increase government revenues has been greater. This has constrained the state’s capacity to enforce laws and regulations which demand greater disclosure and more responsible business practices (Chachage, 2003; Heilman and Ndumbaro, 2002). It has been argued that, despite the Tanzanian government’s efforts to integrate the mining sector into the global economy and to attract foreign investment, the socio-economic benefits of the sector for Tanzania and its citizens remains questionable (Policy Forum, 2008). Despite its mineral wealth and investment potential, Tanzania continues to be one of the poorest countries in the world, with a per capita income of US$440, lower than the average of low-income countries which was US$524 in 2008 (UNDP Report, 2009; World Bank 2010). Arguably, Tanzania’s mineral wealth has failed to promote the social needs of the Tanzanian citizens.

4.1 Research Method

To understand the contradictions with regard to CSR reporting in the Tanzanian mining sector, this paper uses case studies. A case study allows for investigating a contemporary phenomenon in a context where the boundary between the phenomenon and the context are blurred and multiple sources of evidence are employed (Yin, 2003). Two largest MNCs in the Tanzanian mining sector were selected for the case studies. The data for the case study was obtained from archival documents from financial reports, social responsibility reports, corporate websites, newspapers and other publicly available information in order to provide evidence of the corporate narratives with regard to promises of CSR practices in Tanzania. This study refers to information available in the public domain to draw attention to the corporate claims about environmental responsibility, employee welfare and community involvement.

To understand the rhetoric behind corporate social disclosures, it is important to consider the views of various stakeholder groups (e.g. employees, local residents and civil society organisations) who interact closely with the mining companies in Tanzania. In order to solicit their views, semi-structured interviews were conducted
with local residents, employees, NGOs, and trade union representatives\(^7\). These interviews provided evidence of the largely silent voices of the key stakeholders who were directly affected by the negative social and environmental consequences of mining activities in Tanzania. With regard to the interviews, an interview guide was first of all compiled in order to structure the interview and this was subsequently transformed into a more focused semi-structured interview guide comprising questions which represented the core interview themes \(^8\). Interviewees were encouraged to share their own perspectives based on their own experience. These included their views on the commitment vis-à-vis actual practice of the mining companies with respect to protecting and safeguarding the environment, promoting and protecting employee welfare, and encouraging the involvement of local communities and good community relations. Table 2 provides a list of the interviewees:

**INSERT TABLE 2 HERE**

The interviews were conducted by the researcher at the interviewee’s premises in Tanzania and lasted on average from between one and a half hour. The interviews were recorded using a voice recorder and subsequently transcribed. The Transcripts of interviews, together with notes appertaining to the interview, were subsequently summarised and analysed thematically using a cross-interview approach \(^9\). As interviewees were promised anonymity, abbreviations and coded names were used in place of the names of the interviewees. The analysis of the interviews highlighted the concerns of the various social groups on the negative impact of mining activities on the environment, local communities and employees in Tanzania.

5. **Selected Case Studies**

This section provides evidence of a number of cases where mining companies have pledged to behave in a socially responsible way, but have nevertheless remained silent about the social and environmental consequences of mining activities for employees, local communities and also for the environment in Tanzania. The cases

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\(^7\) Interviews are useful for providing an understanding of the meaning individuals ascribe to their experience and for unravelling the complexities of significant social change (Gerson and Horowitz, 2002).

\(^8\) As recommended by O’Sullivan and O’Dwyer (2009).

\(^9\) See Miles and Huberman (1994).
discussed below relate to the two leading MNCs in the mining sector of Tanzania, Barrick Gold Company and AngloGold Ashanti Limited.

**Barrick Gold Company**

Barrick Gold Corporation is a leading international gold mining company with headquarters in Toronto, Canada, and a portfolio of mining and exploration projects in the United States, Canada, Australia, Peru, Chile, Argentina and Tanzania. The company is listed on the Toronto, New York and London Stock Exchanges with a market capitalisation of about US$37 billion (about Tsh.48.1 trillion)\(^{10}\). In 2008, Barrick produced 7.7 million ounces of gold at a cash cost of US$443 per ounce, with an estimated gold mineral reserve amounting to 138.5 million ounces. The company has over 19,000 employees\(^{11}\). In Tanzania, Barrick Gold Corporation is one of the leading private foreign companies in the mining sector, due to its acquisition of the following four mines: Bulyanhulu Gold Mine (BGM); North Mara Gold Mine (NMGM); Tulawaka Gold Mine (TGM); and Buzwagi Gold Mine (Policy Forum, 2008). With a production of approximately 716,000 ounces in 2009, the total production of the four subsidiary companies in Tanzania represented 9.6% of the total gold production of Barrick Gold Corporation (the parent company)\(^{12}\).

**AngloGold Ashanti Limited**

AngloGold Ashanti (AGA) Limited is a global gold producer with headquarters in Johannesburg, South Africa\(^{13}\). The company has a varied portfolio of assets which includes surface, open-pit and underground mines located in South Africa, Argentina, Australia, Brazil, Ghana, the Republic of Guinea, Mali, Namibia, the United States and Tanzania. AGA, the group company, is listed on the Johannesburg, New York, London, Paris, Brussels, Australia and Ghana Stock Exchanges. It produced 5.5 million ounces of gold in 2007, estimated at 7% of global production, making it the third largest producer in the world\(^{14}\). The combined proved


\(^{13}\) AngloGold Limited was founded in June 1998 with the consolidation of the gold mining interests of Anglo American. AngloGold Ashanti was formed on 26 April 2004 following the business combination between AngloGold and Ashanti Goldfields Company Limited (www.anglogold.com).

\(^{14}\) [www.anglogoldashanti.co.za/subwebs/informationforinvestors/reports08/AnnualReport08/files/employer](http://www.anglogoldashanti.co.za/subwebs/informationforinvestors/reports08/AnnualReport08/files/employer)
and probable ore reserves of the group amounted to 71.4Moz as at 31 December 2009. In Tanzania, AngloGold Ashanti owns Geita Gold Mine Limited (GGML), an open-pit gold mine located in the Mwanza region. Geita mine commenced production in 2000, initially as a joint venture of AngloGold (a South African-based company) and Ashanti (a Ghanaian-based company). With the merger of AngloGold and Ashanti in 2004, Geita Gold Mine became a fully-owned subsidiary of AngloGold Ashanti. Geita Gold Mine, the biggest of the group’s eight open-pit mines in Africa (and its only operation in Tanzania), produced 264,000 ounces of gold in 2008 (representing 6% of the group’s global production), and employed 3,116 people (including contractors).

5.1 Environmental Responsibility Disclosures

In response to increasing pressure from NGOs, the media and other civil society organisations about the environmental impact of mining, Barrick and AngloGold Ashanti, like other mining companies, have professed themselves to be committed to protecting the environment. For example, Barrick has stated that it complies with Tanzanian and international environmental laws and regulations (*Barrick Responsible Mining Report*, 2009)\(^\text{15}\). It claims to continuously meet high environmental standards, while pursuing new avenues for industry leadership (*ibid*). The *Bulyanhulu Gold Mine Responsibility Report* (2009)\(^\text{16}\) reported that the company recognised the impact of mining on the environment and that it was committed to environmental protection as part of its Corporate Social Responsibility Charter:

‘Respect for the environment is at the heart of our management approach to environmental protection and stewardship. Barrick’s Corporate Social Responsibility Charter drives this approach. The environmental management system in place at Bulyanhulu helps us achieve our Charter goals of protection and stewardship, and performance indicators help us measure how well we have achieved our goals (p.1).

‘We recognize that there may be significant impacts to the existing natural environment, both temporary and long-lasting, due to the presence of our mining operations. As a result, we use the precautionary approach throughout the life of the mine by first assessing potential impacts, then evaluating how to avoid, mitigate or control those impacts. Controls typically include putting into place multi-layers of environmental protection and robust environmental


management systems that include advanced planning against possible future events’ (p.2).

Barrick has also stated that it recognises and deals with the detrimental impact of mining on the environment:

‘The company has a responsibility to protect, reclaim and enhance the environment on the sites that we operate. We encourage wise environmental stewardship and diligently apply proven management controls to achieve this goal. Through our comprehensive environmental management programs, we are committed to ensuring that environmental effects are being adequately addressed; controls are in place to ensure compliance with corporate environmental policies and obligations; environmental management activities are supported by adequate resources and financial provisions, and that plans are in place to ensure that the environment is protected for future generations and that the sustainability of nearby communities is safeguarded’ (Barrick Gold Corporation Social Responsibility Report, 2006, p.5)\(^{17}\).

Similarly, AngloGold Ashanti (AGA) has also acknowledged its commitment to environmental protection in Tanzania:

‘The company is committed to working in an environmentally responsible way, recognising that the long-term sustainability of its business is dependent upon good stewardships in both the protection of the environment and the efficient management of the exploration and extraction of mineral resources’ (AGA Country Report Tanzania Geita, 2006 p.16-17)\(^{18}\).

AGA has claimed that it complies with the various legal and regulatory requirements with regard to the environment, both Tanzanian (e.g. Environmental Management Act 2004; and Mining Act 2004) and international (e.g. ISO 14001)\(^{19}\).

AGA’s Country Report Tanzania Geita (2006) stated that ‘the company has formally adopted ISO 140001 certification as the standard for the company’s environmental management’ (2006:16). AGA has professed its commitment to protecting the environment from hazardous chemicals (such as cyanide) used in mining:

‘AGA has done so much over the past 10 years to minimise the risk associated with the use of cyanide chemicals. AGA managed sites are signatories to the International Cyanide Management Code for Manufacture, Transport and Use of Cyanide in the Production of Gold (the Cyanide Code), to which the group was a founding signatory. This code is a voluntary industry initiative developed under the auspices of the United Nations Environment Programme (UNEP) specifically to promote the responsible management of cyanide use in gold

\(^{19}\) ISO 14001 is an international standard that sets out requirement for companies to put in place effective Environmental Management Systems (EMS).
mining, to enhance the protection of human health, and reduce the potential for adverse environmental impacts’ (AGA Country Report Tanzania Geita, 2008 p.36)\(^{20}\).

AGA also stated:

‘Means to minimise and prevent pollution are typically built into mining projects at the beginning of a project. However, this has not always been the case at operations that were established many decades ago, when legislation was less stringent and when technologies and practices used today were largely unknown. This has resulted in the capacity of the pollution prevention systems at several operations being unable to meet current requirements. Geita is working to manage and minimise acid rock drainage’ (AGA Country Report Tanzania Geita 2008 p.38).

Although the above companies acknowledge in their CSR reports that mining activities can have an impact on the environment, however local residents, the media and NGOs have voiced concerns about the pollution and environmental degradation caused by mining activities in Tanzania, but their concerns have rarely been addressed in the companies’ environmental statements (Lauwo, 2011). For example, there has been concern among local residents about the location of the mines, in particular the location of waste dumps near community neighbourhoods, the consequences of which are never disclosed in CSR reports. Local residents interviewed were of the view that, even though the mining sites were close to local neighbourhoods, there was little information in CSR reports to disclose the dangers of mining activities with regard to local communities. One community leader reported that, despite corporate promises about environmental protection, that piles of waste rock containing toxic chemicals had been dumped close to villagers’ farmyards. The villagers interviewed were critical of the mining companies for producing ‘glossy’ reports about their environmental and social responsibilities, whereas in practice their mining activities were causing fatal health problems not just for local inhabitants but also their animals. A village leader in one mine site stated:

‘... Environmental management is poor... The waste rock dumps are not very far from our villages. During the rain seasons, the water tends to flow from the mountain heaps of waste rock to the villages’ water sources, and as such we are not sure whether the water we are using in the villages is safe’.

A local community leader interviewed in one village reported that the polluted rivers had endangered the health of local residents in the region. The interviewed claimed to have developed serious health problems, such as skin diseases and diarrhoea and vomiting from using river water near the mining sites. Despite the claims of the mining companies to be taking a precautionary approach with regard to environmental management practices, the health problems and other risks associated with mining are rarely made evident in their CSR reports. Tanzanian newspaper reports have also drawn attention to the environmental dangers of mining. Thus, for example, The Guardian (10 July 2009) reported that water samples taken from a river in a village in the mining areas had high levels of nickel, chromium and lead, which posed a serious health risk for persons and animals drinking the water in the area. Community concerns about the water supply being toxic were also reported in the newspaper:

‘The tailing ponds are not often furnished with liners to prevent toxic water leaking and seeping into the rivers and other natural water sources. For example, the villagers of Nyamongo in Mara region have been complaining about contamination of Tigithe River since 2002, but the government waited until 2009, a year before the general election, to investigate the local community concerns’ (The Citizen, 7 July 2009).

The non-governmental organisation (NGO) representatives also expressed their views on how companies discharge their environmental responsibilities and how pollution and environmental degradation impacts have remained silent in the social reporting. One NGO representative, who was interviewed, was sceptical about corporate promises on environmental protection as disclosed in CSR:

‘Companies’ policies on the environment are good on paper but the practice is something else. The environmental pollution in Tanzania could not be tolerated in western countries. Companies dump toxic wastes in the communities’ yards; as a result the rivers, lands and air have been polluted’.

Another NGO representative interviewee pointed to the disparity between corporate statements and corporate action:

‘The mining companies have no sense of social or environmental responsibility in the local communities where their operations are domiciled. Companies put money and gold ahead of people’s value. They never care about the welfare of the environment of local communities at the grassroots level. In some places, land is polluted; people cannot grow or eat their vegetables. In some mining sites the waste rocks dumps containing heavy metals and toxic substances are
located near the villages, posing a health risk to the local people's communities'.

The above statements of the interviewees can suggest that despite the mining companies’ professed commitment to environmental protection, however, their practices have not necessarily been aligned with their publicly espoused claims. Indeed, environmental reports have rarely to mention the pollution and environmental degradation caused by mining activities and the associated health risks in Tanzania. CSR reports have also failed to report and address the concerns of local residents, NGOs and other pressure groups about mining in Tanzania. Furthermore, despite the concerns voiced by local communities about the pollution, environmental degradation, and the illnesses and deaths of persons and animals caused by the mining activities, the Tanzanian government has done little to address their concerns (The Citizen, 27 June 2009). This is partly because, the Tanzanian government is on ‘the horns of a dilemma’ in that it has to attract mining companies which at the same time control their activities.

5.2 Employee Welfare Disclosures

Mining companies have been under constant pressure (e.g. from NGOs and trade unions) to implement employee welfare management programmes and to address workplace issues, such as providing a living wage, removing discrimination, and promoting health and safety in the workplace (Royle, 2005). The trade unions in Tanzania have constantly urged the mining companies to take account of employee rights, human rights, and health and safety at work (Baptiste, 2008). In response to public pressure, the mining companies have produced various statements in which they claim to respect human rights and endeavour to treat their employees in a socially responsible and equitable manner. For example, Bulyanhulu Gold Mine’s Social Responsibility Report (2009) has stated its commitment to health and safety in the workplace:

‘We are committed to eliminating and/or controlling all workplace hazards for the protection of our workers. We believe that everyone is responsible for workplace safety. Health and safety training programs are in place for managers, employees and contractors at Bulyanhulu. These programs provide

all employees and contractors with a clear understanding of their rights, responsibilities and accountabilities in creating and maintaining a safe workplace for all’ (p.4).

To show its commitment to training local people in Tanzania, the *Social Responsibility Report (2009)*\(^{22}\) of Barrick Gold Corporation (the parent company) stated:

‘Our extensive training programs enable us to hire locally. Barrick invested approximately US$4.5 million (equivalent to Tshs.5.4 billion) to finance a new government-industry national training program to develop the technical skills of Tanzanians and reduce reliance on expatriate workers’ (p.60).

Similarly, AngloGold Ashanti (AGA) has indicated its concern for employee welfare. Thus, for example the Director’s statement in Geita Gold Mine Limited’s *Annual Report (2008)*\(^{23}\) stated that he recognised the importance of employees working for the company and the need for health and safety at work, equal opportunities, and the importance of skills training:

‘The company respects and values its employees as individuals and places emphasis on policies that benefit both the company and its employees. The company is committed to providing equal advancement opportunities and safe clean working conditions. It recognises the merit of all employees, yet it endeavours to attract and retain the best people by rewarding superior performance and giving them opportunities to expand their skills, develop their potential and apply creativity’ (p.4).

AGA stated that its activities conformed to all occupational health and safety regulations:


AGA reported that, although it was committed to training national and local employees, their lack of technical ability meant it was necessary to employ foreigners and, as a result, foreign employment had increased:

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‘Since 2006, there has been a great focus at Geita on upgrading and aligning the skills of nationals to meet the requirements of the business. Upon engagement, expatriate employees train local employees to take up their positions in due course and there are succession development programmes in place. A major problem, however, is the shortage of technical skills and, in 2008, the expatriate component of the total workforce increased to 6.2% from 5.1% in 2007 (above the national target of 5%)’ (AGA Country Report Tanzania Geita, 2008 p.20).

However, despite professed claims to be committed to employee welfare, however, the employees and trade union representatives interviewed provided some contradicting views with regard to workplace issues. Contrary to the mining companies’ claims to be maintaining and promoting equal opportunity policies and providing the much-needed employment for Tanzanian citizens, the employees who were interviewed were critical of the companies’ CSR statements. One employee drew attention to the dangers associated with poor health and safety in the mines:

‘Despite companies’ efforts on compliance with local rules and regulations in Tanzania, still there are a number of problems in the work places (which are never disclosed). For example health-wise, when you go to the underground mining area, the area is very smoky, noisy and unsafe, and there are not enough air and ventilation systems. The company pressure to meet production targets and turnover maximisation often jeopardise health and safety issues. We are often forced to work in some unbearable working environment’.

An employee from another site complained about the Tanzanian government’s failure to compel the mining companies to protect employee rights:

‘Despite the companies’ claims to be complying with local rules and regulations, no regular monitoring on the part of the government has been done to substantiate the companies’ claims about compliance. ‘Who is responsible for ensuring that the companies’ implementation complies with all the labour laws in Tanzania? Who is checking whether the companies are implementing what has been stipulated by the law?’

In contrast to the mining companies’ general claims to be implementing operational improvements that offered superior safety and occupational health management, the interviewees were concerned about the failure of the companies to report on the actual employment conditions in practice. Thus, employees complained about working in dusty, noise and smoky areas, and being exposed to hazardous chemicals, such as silicates, which can cause silicosis and other fatal lung diseases. Such working conditions were never disclosed in mining reports. One employee was particularly
concerned about the lack of adequate ventilation in the mine and health and safety issues:

‘Something needs to be done about the working condition particularly in the underground mining. The underground area is too hot with no enough ventilation. The currently designed ventilation system does not reach the deeper lower levels. As you go deeper down, the area is extremely hot and uncomfortable, yet we don’t have much option but to work. Production comes first and health and safety second. But none of these issues are disclosed in the mining reports’.

Another employee also drew attention to health and safety issues:

‘Despite the company’s good strategy on health and safety on the paper, there are lots of weaknesses in practice. The management of employees’ health and safety is very poor. The underground mining area is very dirty, dusty and with lots of fumes from the chemicals used in blasting. There is not enough ventilation which increases the possibility of contamination and chest infections, especially silicosis’.

The underground mining captain interviewed complained about the age of the equipment, the unhealthy working conditions, and the lack of protective equipment:

‘Most of the equipments used in the underground mine are too old; they produce a lot of noise and emit excess fumes. These make the underground area too smoky, dusty and noisy. Thus, people are working in dusty areas and many have been affected by silicosis. Employees are expected to use protective equipment, such as ear plugs and dust masks, which are most of the time either not available or when available workers choose not to use them’.

He also drew attention to the lack of ventilation in the mine and the fact that the conditions at the mine were not disclosed in company reports:

‘The working condition at the underground lower level is terrible: there is not enough ventilation to support the manpower. The company had a plan to install refrigeration, but production cannot be stopped to wait the installation. People have to work in any conditions. There is a lot of pressure on achieving the expected level of production which sometimes compromises the health and safety issues. But, the pressure is never disclosed in the reports’.

With regard to wages, the mining companies claimed to be remunerating their employees above the minimum legal requirements set by the Tanzanian government, but the employees, on the other hand, were of the opinion that there was huge gap between what companies disclosed and what actually happened in practice. A number of employees interviewed at one mining site complained that their wages did not reflect the danger of the work they were engaged in. The interviewees were also
concerned about discriminatory practices in the workplace which were never disclosed in the reports. One employee mentioned that Tanzanian workers were discriminated, as they were paid much less than foreign workers despite having the same qualifications:

‘Although the mining companies claim to pay a living salary, pay is very low and does not reflect the risks involved in mining activities. Compared with other countries, mining workers are well paid, but in Tanzania the company claims to adhere to government regulations and pay its employees above the minimum wage (according to which the minimum wages is Tshs.350,000 equivalents to US$.280 a month). However, there is a huge gap in the salary between local and foreign staff. For example one expatriate is paid US.9.4 million while a Tanzanian employee with similar qualifications is paid US$.640 (Tshs.800,000) a month. This raises a feeling of discrimination among employees which de-motivates and creates classes between employees of the same company. None of these issues are disclosed in the CSR reports’.

Similarly, another employee also drew attention to the discrimination between local and expatriate staff with regard to both wages and promotion:

‘Expatriate staffs usually occupy senior positions and are paid very large salaries compared to the local staff. . . . There is high level of discrimination between local and expatriate staff. The salary gap between local staff and expatriate staff is huge. Unlike local staff, the promotion of expatriates does not depend on competence. Some expatriates who came as trainees were trained by experienced local staff, but later they were promoted to the senior positions. This de-motivates the local staff. Expatriates are more easily promoted than local people. There are some positions for expatriates only’.

The mining captain was of the view that such discrimination should be disclosed by the mining companies and that the Tanzanian government needed to act in this matter:

‘The government needs to demand more disclosures and transparency from mining companies. We have qualified employees but the companies prefer expatriates in some managerial positions. Some of them don’t have the required qualification and experience. As a result, the local people are frustrated as they have to teach them and report to them’.

The interview conducted with a representative of the Tanzania Mines and Construction Workers Union (TAMICO) disclosed that, contrary to the mining companies’ claims to respect employees’ human rights, the management had taken serious steps to silence the voice of the trade union at the mining sites. The TAMICO representative explained that at some sites there was no trade union activity, while at others the trade union was too weak to demand improved working conditions, employee benefits and respect for human rights. He also said that employees were
unwilling to join the union because of fear of losing their job; and that, while employees had the option of joining a trade union, the mining companies often imposed restrictive conditions and made it difficult for employees to engage in union activities. The union representative drew attention to the gap between what the mining companies say in their reports and what happens in actual practice and how anyone who challenges the company is regarded as a troublemaker:

‘Companies appear to be very good on paper with all sorts of employee welfare management strategies. The problem is the implementation of these strategies in practice. The relationship between the mining companies and the local employees is very poor. The management does not respect local employees; they are not ready to listen. The management are not ready to be criticised or challenged. Anyone who criticises or challenges the system is considered a trouble-maker and a problem’.

5.3 Community Development Initiatives and Responsibility

The increasing tensions between the mining companies in Tanzania and the local communities in which they operate have raised questions about the role of these companies in local communities. In recent years, mining companies have claimed to have community projects in place in the vicinity of their sites in order to offset the negative impact of their activities and to ‘give something back’ to the local community (Corporate Watch, 2006). In order to legitimise their operations in Tanzania, mining companies claim to have taken philanthropic initiatives to support local communities. For example, in its Social Responsibility Charter, Barrick Gold expressed its commitment to making a positive difference to the communities in which it operated:

‘We are committed to making a positive difference in the communities in which we live and work. We recognise that responsible behaviour is our calling card, creating opportunities to generate greater value for our shareholders, while at the same time fostering sustainable development in the communities and countries where we operate’ (Barrick Gold Social Responsibility Report, 2006 p.5)24.

Evidence of Barrick Gold Mine Corporation’s professed commitment to supporting education in the local communities can be found on its website:

‘Barrick recognises that an educated population is vital to emerging economies in the 21st century. We make significant investments in education, including the construction of primary and secondary schools, the provision of teacher training

and resources and student scholarship programs. In Tanzania, the company’s six-year US$2 million education program with CARE International, Tanzania, resulted in a doubling of high school enrolment in the Kahama District, the construction of a new secondary school and a better quality of education for thousands of children and youth living near our Bulyanhulu mine.

Barrick reports that it works closely with local residents, governments, non-governmental organisation (NGOs) and that it responds to the needs and concerns of the local communities. In a similar manner, Bulyanhulu Gold Mine’s Annual Report (2006) stated that the company spent US$275,000 (Tshs.302.5 million) to support a community-based secondary school (Bugarama Secondary School) and that it donated US$15,000 (Tshs.16.5 million) to the District Council to support a government food relief initiative in the district (p.4). The Annual Report also revealed that at least US$186,000 (Tshs.204.6 million) was spent in 2006 on upgrading the clinic in the district (p.7). Although community development projects are often voluntary and philanthropic, the Annual Report revealed that the community development fund, which amounted to US$1,984,000 (Tshs.2.3 billion), was included in the financial statement as part of the operating costs in order to compute the company’s taxable income (Bulyanhulu Gold Mine, 2006 p.24).

AngloGold Ashanti (AGA), like other mining companies, considers itself to be an integral part of the communities in which it operates, and a neighbour and key instigator of economic development which seeks to improve the standards of living of local residents. To underline its professed relationship with the local community, AGA states that it hold community workshops and also has close relationships with educational institutions:

‘The company holds community workshops in surrounding villages to improve relationships, establish a community profile and promote an understanding of the mine’s business. The mine has close relationships with educational institutions: more students from vocational schools, universities and other higher learning institutions receive field training at our site than at any other mining operation in the country’ (AGA Country Report Tanzania Geita, 2006 p.20).

AGA also claims that it ensures that the communities in the mining area are kept informed and are involved in developments, such as health, education, water and economic development, that affect them throughout the lifecycle of the company’s operations (see AGA Country Report Tanzania Geita, 2005):

‘Geita Mine liaises with local communities and district authorities in the formulation and implementation of development projects and is part of a district consultative committee which formulates and co-ordinates the implementation of donor-funded projects. The focus is on the key areas of health, education, water and economic development’ (p.3)\(^\text{28}\).

However, despite the mining companies professed commitment to wish to invest in local communities, the local residents interviewed were sceptical about the corporate promises made to local communities to address the widespread poverty in local villages. They were of the view that CSR initiatives had often been used purely for public relations’ purposes. The village leaders interviewed emphasised that most of these projects were only described in the reports, not on the ground. Even if there were projects carried out by the mining companies, these were not based on the wishes of the communities but rather on what suited the public relations’ image of the company. One village leader complained that, despite the mining companies acclaimed support for the local community, the company had failed to consider the needs of the community itself in terms of the community’s priorities:

‘Despite the acclaimed company support for the community, there is a need for the company to collaborate with the community leaders to identify the priority areas for the primary needs. For example, as part of community investment in 2005, [one named company] moved the bus stop to construct a modern market which was expected to serve the entire community within the ward. Yet, the market has never been used ever since, because the company did not consult the community to see if it was one of the local people’s priorities’.\(^\text{28}\)

The local residents were also concerned about the on-going social unrest and unresolved conflicts resulting from the forceful eviction of local people from the mining area and the unfair compensation awarded for their displacement, the implications of which are never disclosed in CSR reports. One community leader indicated that some villagers who had previously owned land and mining rights were forcibly removed from their land to pave the way for the multinational corporations.

Also, as the community leader explained, the residents were forced to sign vague agreements without knowing or understanding the contract terms:

‘We were forced to accept and sign vague agreements with the MNCs without knowing the content of the contracts. Some of us could not understand, interpret, or even read the contracts’.

A group of 86 local residents evicted from their homes (see further below) complained of being unlawfully and forcefully displaced, not being compensated, and being mistreated. An evicted villager said that they were forced from their homes by armed police at night, they were beaten and given unsuitable substitute accommodation:

‘We were all asleep when the armed policemen came with a court order to evict us. We didn’t have any information about the eviction and nor any chance to pack. They put us in a vehicle and dumped us in an abandoned courthouse named the Environment and Mined Land Rehabilitation Group, Orphans and Service. We were beaten and we lost our properties. We are currently living in a vulnerable condition with lots of health problems attacking mostly women and children, and with no water, food and medical support’.

The displaced villager also complained about the lack of government assistance in the matter and also said that they felt like refugees in their own country:

‘We have stayed in this place for more than one year and the government or the company has done nothing to help us. The Evangelical Christian Church provided us with 25 tents which we are currently sharing. We are invisible to the government, suffering like refugees in our own country. If mining companies are socially responsible as claimed we wouldn’t be in this position?’

Thus, 86 villagers who had previously lived and owned mining rights were forcefully evicted to give way to a large mining operation. The villagers challenged the eviction before the court. They initially won their case, but the mining company later appealed, and, while judgment was pending, the lives of the villagers were turned upside down and they ended up living in a refugee camp. The above social unrest and its implication for the lives of the poor people in the mining areas are never evident in the social and sustainability reports of the mining companies.

The two representatives of NGOs who were interviewed pointed to the lack of disclosure in corporate mining reports about the social dislocation and displacement suffered by local residents in the mining areas. The representatives were of the opinion that there was a gap between descriptions of local community initiatives in
corporate reports and what actually happens in practice. The NGO representatives were concerned about the mass displacement of the poor in the mining areas. One representative was particularly concerned about the poor living conditions in the mining areas and the levels of illiteracy:

‘There is mass displacement of local people and the social services at the mine sites are very poor. The mining towns are very poor and don’t resemble the mine towns in other countries. People in the area are living below the poverty level; there is highest level of illiteracy in most of the mining regions.

Another NGO representatives interviewed were also of the view that, contrary to the companies’ claims to be supporting community development projects, that most of the costs classified as community development in the reports did not specifically target the local communities. The interviewees constantly questioned the mining companies’ acclaimed community development initiatives. The first NGO representative complained that the funds allotted by companies for community projects never reached local communities, perhaps due to corruption on the part of public officials, something which is endemic in Tanzania:

‘Only a small percentage of what is given out goes to the community or reaches the targeted poor people. There is someone who is benefiting. Is it the contractors? Is it the local government officials? Or is it the community? There is large-scale corruption in Tanzania. The local government officials may not be using the money properly’.

Therefore, local community members and NGO representatives interviewed were of the view that the mining companies were using their community development initiatives merely for their own public relations and legitimacy purposes. Thus, contrary to the claims of the mining companies to be maintaining good relationships with local communities and to be improving the standard of living of those local communities, in practice their efforts had left much to be desired. The mining companies’ promises to provide community support had not been properly fulfilled, and the size and scope of community investment remained a matter of corporate discretion.

29 Scholars on CSR, such as O’Dwyer et al. (2005), have suggested that, if companies were to report their community development initiatives, they would need to provide convincing evidence of their performance in order for any credence to be attached to such initiatives. O’Dwyer et al. have argued that accountability does ‘not merely involve disclosing generic statements with little to support them’ (p.23).
6. Discussion and Conclusion

The last decade or so has witnessed increasing attention and volume of literature on CSR, a number of critical scholars have expressed their reservations about the true impact of corporate social disclosures in representing the voices of other significant social groups. It has been argued that in enhancing transparency, CSR reporting should not only communicate to the public what the organisation has done to be responsible, but also explain lapses, contradictions and often neglected assumptions and voices (Grunig and Hunt, 1984). CSR reporting in this context should be concerned with making exploitation and repression visible and should seek to counter social problems (Gallhoffer and Haslam, 1997 p.164). Yes, CSR reporting has arguably rather been mobilised for the protection of the dominant social group interest.

The aim of this paper has been to contribute to the emerging literature on the absence of marginalised voices within corporate social disclosures from a developing country context. By challenging the contours of the conventional studies, that have often focused on the presence of CSR reporting, the paper urged for the need to reclaim the concerns and needs of the oppressed social groups whose voices are often invisible within the corporate discourses. It argued that rather than just being contented with corporate communication and representation, consideration of the voices of other oppressed social groups may be able to illuminate on the existing contradictions, power relations and class struggles for social change.

Borrowing some themes from sociological theories, such as critical feminist theories, the paper underlined how the dominant group within the capitalist society has been able to use its social position to silence the needs and concerns of the marginalised social group. The paper argued that as a social practice, CSR is embedded with the masculine and patriarchy priorities of the capitalist economic system which often privileged the interest of the dominant group. By silencing the needs and concerns of the marginalised social groups through language and communication, CSR discourse has tended to maintain the status quo.

The paper examined the rhetoric of CSR disclosures in Tanzania, a developing country in East Africa. It has focused on the Tanzanian mining sector, a sector dominated by powerful MNCs, to acknowledge the dilemmas faced by the various social constituents who by virtual of their social positions have been, and who continue to be, directly affected by the mining activities and whose voices are largely silent in the various reports of the mining companies. It was shown that mining
companies’ reports have often remained silent about the employee grievances, the social dislocation, the pollution and environmental degradation which are occurring in the mining industry in Tanzania and have left much to be desired by the local population.

Therefore, this paper calls for the development of alternative reporting to mobilise the opinion of oppressed social groups in a developing country context and Tanzania in particular (see also Geogakopolous and Thompson, 2008; Dey et al., 2008). It is suggested here that NGOs and other civil society organisations in Tanzania should work together to prepare shadow accounts or related forms of counter accounting, in order to challenge corporate power and to voice the concerns of the various stakeholders affected by the mining activities. However, as NGOs also need to be accountable and responsible, there is a need for more research on the use of shadow accounts in developing countries, in order to consider both their advantages and disadvantages. This paper therefore calls for more research to be conducted not just on the use of shadow account but also on the role and challenges faced by NGOs and other civil society organisations in mobilising the opinion of the oppressed, and in bringing visibility to the social and environmental dilemmas in developing countries, including those in the mining sector and other industrial sectors in Tanzania.

Acknowledgements
The author is grateful to Professor Prem Sikka of the University of Essex, UK, for his encouragement, intellectual support and constructive remarks on the paper. The author is deeply indebted to the participants of the Critical Accounting Stream at the 7th International Critical Management Studies Conference, held at the Faculty of Economics, University of Naples Federico II – Naples, Italy, for their helpful and insightful comments. The helpful support of Kate Standley, proof reader, is also acknowledged.
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Table 2: List of Interviewees

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<td>4</td>
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</tr>
<tr>
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<td>COM</td>
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<tr>
<td>Members</td>
<td>COMme</td>
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<td>1</td>
<td>3</td>
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<td>5</td>
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<tr>
<td>Leaders</td>
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<td>1</td>
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<td>1 hour 15 min</td>
</tr>
<tr>
<td>Non-Governmental Organisations</td>
<td>NGO</td>
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<td></td>
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<td>1 hour 30 min</td>
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<tr>
<td>Trade Unions</td>
<td>TU</td>
<td></td>
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<td>1 hour 10 min</td>
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<tr>
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<td><strong>19</strong></td>
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Note: The selected employees and local residents (local communities) were interviewed at mine sites (G-Geita, Bu- Bulyanhulu, NM- North Mara and Tu- Tulawaka) in Tanzania.