COMMUNITY DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY IN EBONYI STATE: AN INVESTIGATIVE STUDY OF SELECTED MINING FIRMS AND COMMUNITIES

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Abstract
This study “Community Development and social corporate responsibility in Ebonyi State’ examine the activities of mining firms in Ebonyi State on the development of their host communities. Corporate social responsibility (CSR) refers to strategies that corporations or firms adopts to conduct of their business in such a way that is ethical, society friendly and beneficial to community in terms of development. The study is anchored on Edward Freeman’s Stakeholders Theory of 1948. The study adopted a descriptive survey design with a variety of qualitative research methods. The paper then discusses the role of CSR in community. Competencies required by CSR managers are also analyzed in order to have a better understanding of the practical aspects of CSR. Effective partnership between managers of mining corporations and community leaders was recommended as the basic measure to solve the lingering problem between mining corporations and host communities in the state. However, the integration of ‘top-down’ and ‘bottom-up’ partnership strategies that combine social investment and the strengthening of local and national capacities to reduce the risk and vulnerability of local communities to the negative externality of mining activities as well as the general negative effect of globalisation would most likely make more difference to sustainable community development than either a top-down strategy or a bottom-up strategy alone.

Key Words: Corporate social responsibility, community development, corporate-society relations. Ebonyi state

Introduction:
There are several needs that arise due to interaction of people. The needs include but not limited to access to healthcare, improved economic activities, employment generation etc. These needs require collective effort to tackle. Community arises when individuals or group of people share or have certain attitudes and interest in common. Community can be seen as a group of people sharing a common purpose, who are interdependent for the achievement of certain needs. Ideally, every community would seek to enhance the general wellbeing of its people through education, training, empowerment, healthcare services and so on. Such strategies enhance development within the community. Community development is seen as initiatives undertaken by community with support
from external organizations to empower individuals and group by providing them with the skill they need to effect change in their own community (Maimunah, 2009). External organizations include government and inter-governmental organizations; and various types of business firms. Business firms within a community can also initiate ideas and programmes that should benefit the community as one of its stakeholders.

As firms interact with its stakeholders, different expectations arise. These expectations include but not limited to making profit for shareholders, demand to foster host community development, demand for improved welfare of workers, environmental friendliness, remittance of tax to government as at when due. Deliberate effort by firms to foster host community development, among other responsibilities usually exceed their corporate fundamental obligation of making a profit for his shareholders. The effort comes through corporate social responsibility (CSR). Corporate social responsibility is a deliberate effort of business organizations to act in a ways that promote the interest of its owners, employees, suppliers, consumers, government, host community, ecosystem, society at large generally referred to as “stakeholders”. The practice of Social Corporate Responsibility by firms toward its host community has far reaching benefits of bringing out community development. Neglect of Corporate Social Responsibility by business firms or organization a times result in conflict which may hinder the achievement of stated objectives of the business firm.

Ebonyi state has witnessed mining activities even before its creation in October 1996. The state is endowed with mineral resources in some part of its three senatorial zones. The mineral resources include but not limited to Lead Ore, Zinc Ore, Lime Stone, etc. The presence of these mineral resources has attracted over twenty mining firms in different communities that demonstrated interest in the mining of these mineral resources. These firms include Royal Salt Nig. LTD Ikwo, Ore-Minnexx mining Ltd Mkpumaekwoku, Crushrock industries Nig. Ltd Ishiagu and others. However, there are serious issues arising between these host communities and the mining firms. These host communities believe that they are always exploited by the mining firms. The firms on the contrary are usually not disposed to meeting the usual multiple demands from these host communities, and their varying positions which create conflict.

This study therefore wishes to determine the degree of relationship among community development and corporate social responsibility variables within mining firms and host communities. Understanding the relationship will go a long way in minimizing current and potential conflicts between the mining organizations and host communities.

Statement of the Problem

Most communities in Ebonyi State that have had or have on-going mining activities experience lots of environmental degradation. In these communities, unemployment appears to be very high coupled with the fact that there is little or no human capital development, educationally and financially. Thus, there is little evidence of corporate social responsibility in those communities. The rapid proliferation of mining activities in Ebonyi state have transformed agricultural land in rural areas to mining land, and this causes friction between the firms and host communities. For instance, Ameka youths’ protest against mining activities of Hopefield Nig. Ltd in 2010 was due to destruction of farm land of the community by the mining firm without adequate compensation to set up alternative means of livelihood (Oladunjoye, 2014). Enyiba and Mkpumaekwoku mining sites in Abakaliki and Izzi local government areas of Ebonyi state respectively were formally traditional forest reserved for hunting, but now such areas are presently mining sites. This has led to the displacement of people who are directly dependent on the forest for provision of basic needs and livelihood. It has created over dependency on mining to the detriments of other economic
activities. Consequently, such communities relied on mining firms to provide them with necessary human capacity empowerment such as provision of interest free business loan to start up small scale business and other live enhancing venture. Unwillingness on the side of mining firms to provide interest free business loan to their host communities to start up new businesses or finance the existing ones has resulted to dwindling of businesses within the host communities. This often are reasons behind multiple demands by the host communities which at times result to conflict and closure of mining activities when such demand are not met by the mining firms.

Moreover, most of the indigenes cannot afford the cost of acquiring higher education especially in tertiary institutions. As such, mining communities usually depend on mining firms to provide scholarship to enable them secure admission into tertiary institution of higher learning. Mining firms in Ebonyi state have failed to commit their corporate social responsibility to ensure that the indigenes become employable even in their areas of live endeavours. This has made the youths to engage in frivolous activities to the detriment of the entire communities and the operations of the mining firms.

Mining activities in Ebonyi State has exposed the host communities to the dangers of air and water pollution including, but not limited to diseases and water scarcity. Fumes and dust that emit from machines and other mining equipment destroy the usual sources of drinking water of host communities. In some places, the sources of water are so polluted that the consequences of water pollution could be evident in the level of water borne diseases like typhoid fever, cholera and so on, witnessed among the host communities. Mining firm has not provided their host communities with health clinics and other health information facilities. The host communities use to trek long distances to receive medical treatment in time of illness. This has led to unprecedented lost and deaths. Given the aforementioned problems created by mining firms in their host communities in Ebonyi State, it has become necessary to access the activities of mining firms in Ebonyi state in response to its corporate social responsibility practices.

Research question
1. To what degree does zero interest business loans granted by mining firms relate to level of business activities in mining communities in Ebonyi state.
2. Does scholarship scheme provided by mining firms provide sound education for indigenes for mining communities of Ebonyi state.
3. To what extend does health facilities constructed by mining firms vary with indigenes access to healthcare services in mining communities in Ebonyi state.

Objectives
1. To determine the degree to which zero interest business loans granted by mining firms relate to level of business activities in mining communities in Ebonyi state.
2. To ascertain the extend of relationship between scholarship scheme provided by mining firms relate to employability of indigenes in mining communities on Ebonyi state.
3. To appraise the co variability between health facilities constructed by mining firms and indigenes access to healthcare services in mining communities in Ebonyi state.

Conceptual clarification
Community Development
Community is defined as group of people sharing common purpose, who are interdependent for fulfillment of certain needs, who live in close proximity and interact on a regular basis (Maimunah, 2009). Within a community, there exist shared expectorations for all members of the group and responsibility taken from these expectations. Interestingly, each community has leaders who are responsible for the success of any community event, depending on the need of the community.
Puke (2008) quoting Todaro in Seers (1977) defined development as a multidimensional process involving the reorganization and reorientation of the entire economic and social system. It involves improvement in income and output, changes in institutional, social and administrative structures as well as in popular attitude, customs and beliefs.

The United Nations in Omale and Ebiloma (2005) defined development as a process by which the effort of the people are united with those of government or other organizations to improve the economic, social and cultural condition of communities; to integrate these communities into the life of the nation and to enable them to contribute fully to the nation’s progress.

Bathern (1982) defined rural development as a process during which the people in the small community, first through discussion, define their goals, objectives and plan and act together to satisfy them. It is the process by which the effort of the people themselves are united with those of government authorities to improve economic, social and cultural condition of communities in order to integrate these communities into the life of the nation and enable them contribute fully to national progress. It involves active collaboration between the rural communities, government agencies, non-governmental organization and the private sector for real development in the rural areas.

However, ideas and programs that would enable a community to tackle their basic needs can come from within. For instance, a community can form cooperative societies to enable them solve some economic needs. Such initiative may attract external effort. Jenking and Obara (2008) maintain that economic, social and environment are the three dimension of community development which should be addressed in mining communities.

Corporate social Responsibility

The concept of corporate social responsibility (CSR) is not new. Steiner & Steiner (2006) trace the origins of CSR back to the philanthropic work of wealthy business owners John D. Rockefeller and Andrew Carnegie, who gave away millions of dollars to social causes. Blowfield and Frynas (2005) argue that “the modern precursors of CSR can be traced back to nineteenth-century boycotts of foodstuffs produced with slave labour. However, both sets of authors agree that the more contemporary understanding of CSR was formed in the last half of the twentieth century. Steiner and Steiner argue that the concept of CSR was first introduced in 1954 when Howard R. Bowen published his book Social Responsibilities of the Businessman. Bowen argued that managers have an ethical duty to consider the broader social impacts of their decisions, and that those corporations failing to uphold the broad social contract should stop being seen as legitimate. He also argued that it is in the enlightened self-interest of business to improve society as voluntary action could potentially avert the formation of negative public opinions and unwanted regulations (Steiner & Steiner, 2006).

This latter argument is supported by the fact that early forms of corporate social responsibility (such as corporate philanthropy and the establishment of employee welfare programs) is one of the things that kept Americans from becoming hostile towards large corporations in the early 20th century (Micklethwait & Wooldridge, 2005). While there is currently no universally accepted definition of CSR (Van Marrewijk, 2003; Carroll, 1999; Blowfield & Frynas, 2005; IISD et al., 2004a; UNCTAD, 1999), generally used the term to refer to business’s greater responsibility to society and the environment. For example, members of the business community define CSR as “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large” (WBCSD, 1999), whereas the UK government describes CSR as “how business takes account of its economic, social and environmental impacts in the way it operates – maximizing the benefits and minimizing the
downsides” (UK Department of Trade and Industry, 2004:3). Further, prominent author on the topic, Archie B. Carroll, defines CSR as “the conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive” (Carroll, 1999).

Akachukwu (2005) opined that corporate social responsibility is the obligation of businesses to society which they must perform without being compelled. Such obligations, however, is usually on moral (unwritten) basis; and as such done on voluntary basis. Corporate social responsibility is viewed as a responsibility of business firms that goes beyond making profits for shareholders; it include helping to solve socio-economic and environmental problems (Idemudia, 2011) Heeskerk (2012) stressed that Corporate social responsibility encompasses economic, social, cultural, environmental, ethical and legal requirement undertaken by firms to address stakeholders’ interest. It is the inclusion of capacity building for both employees and local communities; and community support programs in firms daily operations (Baah and Twaiah, 2011). Ideally, capacity building for community should include and not limited to provision of healthcare services, education and training, granting of zero interest loans, provision of good water, access roads, electricity and environmental protection. Growth in these areas overtime leads to development. Kamp, Owen, Gotzman and Bond (2010) indicated that mining firms are under increasing pressure from several parties including local communities, civil society groups, and other social responsible actors to address company community conflict through community development framework.

**Theoretical framework**

This study is based on the stakeholder theory propounded by Edward Freeman in 1948. The theory states that business firms owe responsibility to broad range of stakeholders, other than just shareholders. “Stakeholders” refers to all parties who effect or are affected by corporate actions. It includes employees, suppliers, customers, government, investors, community and environment (Astrie, Gatot and Yuni 2014). The major assumption of the theory is that business firms owe corporate accountability towards broad range of stakeholders’ interest. It considers a firm as an interconnected web of different interest. The profounder recognized this theory as one of the strategies in improving the management of firms’ social responsible behavior. The basis for adopting this theory in this study is that it reveals that mining firms as corporations have responsibilities to a wider group of stakeholders. Firms’ social responsibility programs are anticipated to create development within its host community overtime.

**Methodology**

Many aspects of local sustainable development cannot be quantified, and those which can, often only paint a partial picture of what is happening in a particular community. For example, traditional quantitative economic data such as growth rates and employment levels are often used to measure economic progress; however, such data fail to reveal the impact that these growth rates and changes in employment levels have on members of a particular community. One might speculate that increased employment levels would improve the quality of life in a region as more people would have jobs and could thus provide better for their families. However, an increase in employment levels may, in some instances, create social instability in a region if high employment rates begin to attract migrant labor to a to a closely-knit community. One way to better understand the real impact of rising employment levels is to speak with people in the area where employment levels have increased. Berg (2004) points out that “Qualitative techniques allow researchers to share in the understandings and perceptions of others and to explore how people structure and give meaning to their daily lives”. In essence, qualitative research can give data meaning and context.
A variety of qualitative research methods, including interviewing, observing, and documentary analysis, were employed in the study. Data were gathered from a variety of primary and secondary sources. In order to obtain good cross sectional points of view, interviews were conducted with selected Non Governmental Organizations (NGOs) leaders who held differing political views and opinions about these companies. Similarly, interviews were conducted with project participants who were enthusiastic about the projects and who had an overall positive view of the company, as well as with project participants who were somewhat frustrated with the company. Additional primary data was gathered through observation and informal conversations with project participants during site visits. Secondary information was obtained from census data, company reports, NGO publications, and studies published by local researchers and universities. Information provided by secondary sources served to triangulate the data gathered from interviews and site visits, as well as to augment the literature review.

**The Role of Corporate Social Responsibility in Development**

As the public’s expectations of TNCs continue to rise in light of the greater role these enterprises are playing in society, some companies are searching for ways to integrate CSR into their long-term business strategies in a way that is beneficial to both business and society. Although it has been argued that being socially responsible does not always benefit the financial bottom line, there are numerous examples of companies that have managed to remain profitable while adopting more socially and environmentally responsible business practices. For this reason, proponents of CSR believe that in addition to or in the absence of government regulation, CSR may be an effective way for corporations to redress the negative impacts of Foreign Direct Investment (FDI) and to actively contribute to sustainable development.

Within the World Bank, the United Nations, and select government-run development agencies, CSR has come to be viewed as a potential mechanism for bringing about development (Frynas, 2005). According to the UK Department for International Development, “By following socially responsible practices, the growth generated by the private sector will be more inclusive, equitable and poverty reducing” (in Jenkins, 2005). Likewise, the UK Secretary of State for International Development argues:

*Foreign investors can contribute to economic growth through capital, technology transfer, access to specialised skills, and through their ability to integrate production across several countries. Those businesses that are committed to socially responsible practices can have an even greater impact. They can reinforce the poverty reduction strategies of the country in which they are operating, contribute to environmental sustainability and promote core labour standards and human rights. (In DFID, 2003:)*

The hypothesis that corporate social responsibility initiatives can make a positive contribution to development is not unfounded. For example, some corporations have set up foundations to support community development projects, while others have developed and implemented extensive HIV/AIDS prevention programs. Most recently, five companies have partnered with MIT to develop a US$100 laptop for children in developing countries. However, the narrow focus of the mainstream CSR agenda, and particularly its failure to address the structural determinants of underdevelopment, has led many scholars to question whether CSR alone can encourage development. The following section will outline the key arguments in the ongoing debate about
whether companies’ CSR initiatives can make a significant contribution to sustainable development.

Synthesis of emerging issues and conclusion
Three issues emerge from the above discussion and call for the need to re-examine the tacit assumptions that underpin the idea of partnership and its relationship with development at the micro level. Eilbrit and Robert (1973) conceptualized CSR at the micro-level in terms of good neighbourliness, which encompasses the responsibility not to spoil the neighbourhood (negative injunction duties), and the voluntary assumption of the obligation to help solve neighbourhood problems (affirmative duties). On this basis, the first emerging issue is that Community Development Programms (CDPs) have the potential to make a difference to community development; especially addressing local communities’ immediate infrastructural needs as highlighted by the partnership literature (see Davy, 2000; Acutt et al, 2001; Hamnan et al, 2001). Bottom-up corporate-community partnership like the EOCDF has the potential to facilitate the development of social capital in host communities by building on the connecting factors among the various host communities. They can also serve as formal and informal institution for conflict resolution in conflict prone region. In addition, by providing room for sufficient community participation in social investment projects, such bottom-up corporate foundations can serve to empower local communities and stimulate the growth of local community. However, the focus on such potential contribution of partnerships to community development has the tendency to mask the real issues at stake than it actually reveals. CDPs as corporate social investment have little or no impact on how mining companies carry out their core business operations and they do not help prevent and compensate communities for the negative social, economic and environmental externality generated by mining operation. As Swanson (2002) point outs, the concern in business-society relationships today is not about you making money the way you want and then giving a portion of it back to the community. Rather, it is about how you earn your money, how you run your company and how you interact with your communities (Jenkins, 2005; Hamann, 2003; Walker and Hayes, 2005). However, much of the partnership discourse fails to appreciate this concern, and tacitly assumes that meeting affirmative duties via social investment is a sufficient compensation for failure to address negative injunction duties. Unfortunately, there is no amount of road or bridge construction, provision of electricity or the award of scholarships that can compensate for 24 hours of spillover effect resulting from mining operations. Neither do cash payments compensate for future loss of livelihood.

Besides, consensus is emerging that business can best contribute to sustainable community development by optimizing the potential positive social, economic and environmental impact of mining activities on host communities and minimizing the corresponding negative impacts on host communities’ development (Moser, 2001; Warhurst and Mitchell, 2000). The issue here is that business can best contribute to development and poverty reduction by not only creating new sources of livelihood via social investments but also by ensuring that existing sources of livelihood are not destroyed or lost due to its operations (by addressing negative injunction duties). It is upon this action of creation and prevention that business can fully maximize the impact of its efforts on community development. Prevention is as important as creation because for development to be meaningful and sustainable it must protect, preserve and conserve the lives and resources of rural inhabitants (Ukpongson and Onu, 2004). As such, CDPs as presently implemented merely tinker around the problem of poverty and underdevelopment in host communities.
Secondly, there is also the assumption that the success of partnerships is a function of effective management. According to Warner “it is the process of partnership management, of exploring the costs, benefits and risks of forming a tri-sector partnership, building the trust necessary to structure the partnership, and maintaining the flow of the benefit over time, that is critical to whether a partnership is ultimately successful”. Warner’s argument arises from the perception that the key to a successful partnership is consensus building around the differences in the capacities, perceptions, aspirations and power that the different partners bring to the table. While this argument is not necessarily incorrect, it is limiting, as it assumes that partners will be able to meet their share of responsibility and that there is an enabling environment for partnership formation and practices. In Nigeria, like most sub-Saharan African countries, the enabling environment for partnership is at best still largely ineffective, and the capacities of potential partners (government and local civil societies) to deliver on their responsibilities as and when due is undependable. Hence, partnership success in contexts like Nigeria cannot be a function of management alone. Rather it is a function of context and management. The implication is that there is a need for an enabling environment for partnership in developing countries, which requires addressing the structural determinants of mal-development (see Utting, 2000) and building local individual and institutional capacity. Efforts presently geared towards institutional capacity building in existing partnership schemes will continue to yield limited dividends as long as the more fundamental issues are ignored. For example, the strengthening of local capacity to monitor and enforce local environmental regulation effectively will make little difference, if developing countries’ governments continue to lower environmental standards as an incentive to attract Foreign Direct Investments (FDI).

Thirdly, ‘bottom-up’ corporate partnerships appear to be a much more efficient and effective means for mining companies to deliver on their affirmative duties than any alternative approach, but insufficient to address the entire range of mining companies CSR obligations to their host communities, and effect sustainable community development. However, the integration of ‘top-down’ and ‘bottom-up’ partnership strategies that combine social investment and the strengthening of local and national capacities to reduce the risk and vulnerability of local communities to the negative externality of mining activities as well as the general negative effect of globalisation would most likely make more difference to sustainable community development than either a top-down strategy or a bottom-up strategy alone.

At any rate, if the inadequacies of the assumptions that underpin partnership are errors of omission, efforts meant to highlight such shortcomings could stimulate the appropriate response from the various stakeholders concerned. Alternatively, if these shortcomings are a manifestation of how well business has been able to accommodate contemporary CSR agenda and legitimise its position in CSR discourse as argued by Utting (2000), Hamann and Acutt (2003), Blowfield and Fryans (2005), then calls for a critical perspective to business-society relations have been timely and require further attention. Nevertheless, as it is presently implemented, the capacity of partnerships to contribute to sustainable development faces constrains that both limit and undermine their positive impact and contribution to host communities’ development and to transforming the mining communities from an enclave at war to one at peace.
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