Gold-mining Multinationals and Community Interaction in Tanzania

Towards Localised Social Accountability

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GOLD-MINING MULTINATIONALS AND COMMUNITY INTERACTION IN TANZANIA
Towards Localised Social Accountability

MULTINATIONALS IN DE GOUDMIJNBOUW EN HUN INTERACTIE MET DE LOKALE GEMEENSCHAP IN TANZANIA

Op weg naar gelokaliseerde sociale verant-woording

Thesis

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Dedication

To my husband Ernest and my sons Brian and Dennis

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Acronyms

ABG   African Barrick Gold
AGA   AngloGold Ashanti
AMREF   African Medical and Research Foundation
BGML   Bulyanhulu Gold Mine Limited
BOT   Bank of Tanzania
CA   Corporate accountability
CAO   Compliance Advisor Ombudsman
CSR   Corporate Social Responsibility
DC   District Commissioner
GGM   Geita Gold Mine
LEAT   Lawyers Environmental Action Team
LHRC   Legal and Human Rights Centre
MIGA   Multilateral Investment Guarantee Agency
NEMC   National Environmental Management Council
NMGM   North Mara Gold Mine
OCD   Officer Commanding District
SRI   Socially Responsible Investments
TIC   Tanzania Investment Centre
VBIA   Village Benefits and Impact Agreement
VPSH   Voluntary Principles on Security and Human Rights

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Abstract

The main objective of this thesis is to study the accountability of gold-mining companies to the communities within which they operate in Tanzania. The thesis develops a localised social accountability framework from accountability and stakeholder literature. This framework is discussed in four thematic chapters: land grievances, environmental pollution, violent conflict and company social spending. The thesis answers four research questions: How and to what extent were communities around gold mines in Tanzania (un)successful in extracting localised social accountability regarding land grievances from gold-mining companies? How and to what extent were communities around gold mines in Tanzania (un)successful in extracting localised social accountability regarding environmental pollution from gold-mining companies. How and to what extent were communities around gold mines in Tanzania able to use force to demand a company's response to their claims regarding the impact of their externalities, that is, unfair land transfers and environmental pollution? How and to what extent was the social spending of gold-mining companies used as a response to communities' claims and hence compensation for companies' externalities and what was the role of the communities in this?

Data were collected from three companies and their respective communities as key respondents, but NGOs and the state were also approached. The companies were Geita Gold Mine, North Mara Gold Mine and Bulyanhulu Gold Mine. The methods used for data collection included individual interviews, focus group discussions, and observation and review of documents from cases in question, including CSR reports.

Findings reveal that most communities could not extract local social accountability for land grievances from these companies. According to

land ownership structure, the state was the owner and communities were the legal occupiers with some authority over the land, which was limited when it came to foreign direct investments. They could not enter into any deal with a foreign company. Companies rented land from the state, which to appropriated community land for that purpose. This contributed to the complexity of the quest for local social accountability. Community claims proved inadequate and there were delays in compensation.

Similarly, most communities could not extract local social accountability on claims of environmental pollution. The reason for this failure was the fact that environmental pollution claims require supporting evidence and this the community had to provide as regulatory authorities faced challenges in terms of human and financial resources, and were also accused of corruption. Even with the assistance of external allies such as international NGOs, communities could not provide uncontested evidence. In the end, the only response they received from companies was commissioned research and that refuted their claims or that led to vague conclusions.

The communities in question applied force to pressure local social accountability from companies. This took the form of sabotage, road blockades, demonstrations and illegal mining. Lack of intensity and persistence meant that this strategy posed no significant threat to these companies. In only one case was force used successfully to pressure a company to respond to demands for accountability.

Some communities did pose a threat to company reputation that had financial implications. These communities had the ability to manage their affairs and to articulate and manage their collective interests.

Responding to these shows of force, companies turned mainly to social spending; this amounted to compensation only when and where companies were obliged to spend on social services. When they were not, the companies continued to follow the voluntary CSR approach. One company, with a "difficult" community, did this; this community applied a strategy of violence intensively and extensively. With its ability to manage its own affairs, this community succeeded in forcing the company to respond and to sign village benefits and impact agreements (VBIAs).

The thesis concludes that communities' active role is important if companies are to behave in a socially responsible way. This entails creat-

ing an environment that will enable these communities to practise their agency. Other relatively powerful actors can achieve this, namely the state (home and host), corporate parents, NGOs and investors, to mention but a few.

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Samenvatting

Het hoofddoel van dit onderzoek is het bestuderen van de verantwoording van goudmijnbouwbedrijven aan de gemeenschappen waarin zij werkzaam zijn in Tanzania. Op basis van de verantwoordings- en stakeholderliteratuur is in dit proefschrift een kader voor gelokaliseerde sociale verantwoording ontwikkeld. Dit kader wordt behandeld in vier thematische hoofdstukken: geschillen over grond, milieuverontreiniging, gebruik van geweld en sociale uitgaven van bedrijven. Het proefschrift behandelt de antwoorden op vier onderzoeksvragen: Hoe en in welke mate zijn gemeenschappen rond goudmijnen in Tanzania er al dan niet in geslaagd om goudmijnbouwbedrijven gelokaliseerde sociale verantwoording te laten nemen bij grondgeschillen? Hoe en in welke mate zijn gemeenschappen rond goudmijnen in Tanzania er al dan niet in geslaagd om goudmijnbouwbedrijven gelokaliseerde sociale verantwoording te laten nemen voor milieuverontreiniging? Hoe en in welke mate hebben gemeenschappen rond goudmijnen in Tanzania geweld kunnen gebruiken om bedrijven te laten reageren op hun claims ten aanzien van ongewenste neveneffecten, namelijk onrechtvaardige overdracht van grond en milieuverontreiniging? Hoe en in welke mate waren de sociale uitgaven van goudmijnbouwbedrijven een antwoord op claims van gemeenschappen en daarmee compensatie voor ongewenste neveneffecten van de bedrijfsactiviteiten, en welke rol hebben de gemeenschappen hierin gespeeld?

De data zijn verzameld onder respondenten in drie bedrijven en de gemeenschappen waarin zij opereren, maar ngo's en de overheid zijn ook benaderd. Deze bedrijven zijn actief in de Geita Gold Mine, de North Mara Gold Mine en de goudmijn van Bulyanhulu. De

onderzoeksmethode was een combinatie van individuele interviews, focusgroepdiscussies, observatie en bestudering van documenten over de betreffende gevallen, waaronder mvo-verslagen.

Uit de resultaten blijkt dat de meeste gemeenschappen er niet in slaagden om deze bedrijven lokale sociale verantwoording te laten nemen bij grondgeschillen. Volgens de regeling voor grondeigendom was de overheid eigenaar van de grond en waren gemeenschappen de wettelijke gebruikers. Hun zeggenschap over de grond was beperkt wanneer er sprake was van directe buitenlandse investeringen. Zij konden geen enkele overeenkomst aangaan met een buitenlands bedrijf. Bedrijven huurden grond van de overheid en die gebruikte daarvoor grond van de gemeenschappen. Dit maakte het afdwingen van lokale sociale verantwoording nog complexer. Claims van gemeenschappen bleken ontoereikend en er was vertraging bij de compensatie.

De meeste gemeenschappen slaagden er ook niet in om bedrijven lokale sociale verantwoording te laten nemen voor milieuverontreiniging. Dit lag aan het feit dat de gemeenschappen zelf het benodigde bewijs voor milieuverontreiniging moesten leveren omdat toezichthoudende instanties te kampen hadden met onderbezetting en beperkte financiële middelen, en ook beschuldigd werden van corruptie. Zelfs met de hulp van externe bondgenoten zoals internationale ngo's lukte het de gemeenschappen niet om met onomstotelijk bewijs te komen. Uiteindelijk bereikten zij wel dat de bedrijven opdracht gaven de zaak te onderzoeken, maar dat leidde slechts tot een weerlegging van hun claims of leverde vage conclusies op.

Om bedrijven onder druk te zetten om lokale sociale verantwoording af te leggen namen de betrokken gemeenschappen soms ook hun toevlucht tot geweld en illegale activiteiten als sabotage, wegversperringen, demonstraties en illegale goudwinning. Ze zetten hun optreden echter niet krachtig genoeg door om een bedreiging te vormen voor de bedrijven. Slechts in één geval slaagden ze erin om een bedrijf ter verantwoording te roepen.

Bedrijven gingen in reactie op dit geweld voornamelijk over tot sociale uitgaven. Dit was alleen voldoende compensatie in gevallen waarin bedrijven verplicht waren om geld te besteden aan sociale voorzieningen. Als deze verplichting niet bestond, bleven bedrijven de vrijwillige mvo-benadering volgen. Eén bedrijf had te maken met een 'moeilijke' gemeenschap die intensief en op uitgebreide schaal geweld

gebruikte. Omdat deze gemeenschap haar eigen zaken kon regelen, slaagde zij erin om het bedrijf te dwingen om te reageren en uitkeringen te verstrekken aan het dorp en impact-overeenkomsten (*Village Benefits Implementations Agreements* of VBIA's) te ondertekenen.

De conclusie van dit onderzoek is dat gemeenschappen een actieve rol moeten spelen om te zorgen dat bedrijven hun sociale verantwoordelijkheid nemen. Het is dus nodig om een omgeving te creëren waarin deze gemeenschappen hun agency kunnen uitoefenen. Dit kan gedaan worden in samenwerking met andere relatief machtigere actoren, waaronder de overheid (van het land van herkomst van de mijnbouwbedrijven en het land waar de mijnbouw feitelijk plaatsvindt), moedermaatschappijen, ngo's en investeerders.

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Preface

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1 Introduction: Problematising localised social accountability

1.1 Background to the problem

Large-scale mining investments, mostly under the ownership of multinationals, have generated conflicts in the localities in which they are found. Various complaints come from communities where they operate. These complaints relate mostly to land issues or environmental pollution and, in many cases, these boil over into violence. Communities and companies also interact through social services, where companies assume the role of social services providers. These services are designed either implicitly or explicitly to respond to community discontent as a way of compensating them.

In Tanzania, the state owns all land. The law recognises citizens as occupiers of this land. Land occupants are not allowed to transfer their land to non-citizens. This means that only the state has the authority to transfer land to foreign companies. Community complaints regarding land issues mainly concern the inadequacy of, delays in or lack of compensation. These complaints are linked directly to the state that transfers land from communities to these companies. Nevertheless, communities mostly choose to confront companies in seeking redress. This is why, in many cases, they do not achieve it.

Moreover, gold mining is one of the activities that is blamed for environmental damage such as land, water and air pollution. The results of such pollution are felt most by host communities, whose access to clean and safe water becomes difficult or impossible. This also affects their health and makes earning their livelihood in general difficult. Communities question what scholars have already observed: developmental promises by foreign direct investments (FDIs) in this sector, which many countries now regard as unattainable (Burneo et al. 2008).

With limited options, communities choose a number of startegies including protest and sometimes physical violence as a strategy with which to resist these externalities. This is intensified by the fact that the government can legitimately use force and often deploys police to protect these investments (Banerjee 2011). Communities' forms of resistance include illegal mining, protests and sometimes even physical fights with company guards. Such violence has cost the lives of community members and has had an impact on the companies concerned as well, especially on their reputation.

In order to reduce criticism and to protect their reputation, companies have responded by spending on social services. At face value, this is a positive initiative because it is the primary duty of the state and companies are only helping to alleviate the poverty of communities. When linked to previous issues of land grievances and environmental pollution, however, these initiatives could be viewed as a form of compensation.

The critics of the sector have called for proposals from companies on how to account for matters that are partly the responsibility of the state, such as security; in developing countries, the state is largely unresponsive to communities' complaints (Bebbington et al. 2008). This could be the result of the state's dependency on the sector (Bebbington et al. 2008, Burneo et al. 2008), lack of capacity (Vogel 2010) and / or malpractice (Lange 2011).

Gold is a leading export in Tanzania. Although still minimal, its contribution to GDP formed 36.7 percent of export earnings in 2012 for example (KPMG[1]). On the other hand, more than 80 percent of Tanzanians are subsistence farmers; while gold is an important source of foreign currency, communities still depend on farming and this means that they compete with companies for land. Much of the country's focus has been on the amount of revenue it receives from these investments.

This sector became the focus of economic and political debates. Tax and royalty revenue received by the government from gold mining was still relatively low. For a long period, royalties were set at 3 percent and the tax regime provided for a number of tax exemptions, including those on imports (e.g. fuel) (Muganyizi 2012). All these were efforts to create a business environment that would be conducive to attracting these FDIs (Campbell 2011). There was justification for some tax exemptions. For example, the fuel exemption was justified as these companies were operating in remote areas that were not connected to the national electricity

grid, and thus needed fuel for their operations (to run generators). There were difficulties in tracing and monitoring these imports, creating loopholes for misconduct as the fuel costs of these companies were, it was argued, inflated (Muganyizi 2012). In 2009, the government tried to remove these tax exemptions; companies vehemently rejected this move and threatened to file a law suit (Muganyizi 2012). This led to the reinstatement of the exemptions but with the introduction of some stricter measures to minimise loopholes (Muganyizi 2012). Royalties for gold were also increased from 3 percent to 4 percent in 2009 and the government negotiated with existing companies to follow the new rates (Muganyizi 2012). The state, however, made no similar efforts to improve the condition of host communities, despite their being the most affected by the externalities of these investments.

Artisan and small-scale mining (ASM) was conducted in most areas where there were gold deposits. These ASM operations started soon after the country declared a free market. Very few had government licences and were informal or illegal (especially when they were in conflict with large-scale gold mining multinationals). In many cases, the land leased to large companies was the same land that ASM was using for gold extraction, and this led to conflict. Even the few that had government licences to mine (for example, small-scale miners at North Mara Gold Mine) were forcibly evicted in order to pave the way for these companies. In addition, village farmland with gold deposits was taken for same purpose. These evictions of the host communities (farmers and ASM) should have been fairly compensated, and this was provided for in the country's land law and regulations. However, many land transfer exercises were not without complaints of a failure to receive compensation, inadequate compensation or delays in payment.

Criticisms directed at the sector compelled the country to enact a new policy on mining (The Mining Policy 2010), which gave recognition to artisan and small-miners (ASM). This was a product of an extensive consultation process under a commission chaired by a retired judge, Justice Mark Bomani (The URT 2008). Although this was a positive move, it left much to be desired. It did not force the state to be effective in playing its role as the protector of human rights, the environment and the livelihoods of host communities. What the policy did do was to reduce some favours shown towards large-scale mining projects, such as limiting areas that one company could be granted for exploration purposes, one of the

complaints (The URT 2008). The land issue and environmental pollution complaints made against the communities did not attract the state's attention. The communities tried to resist what they perceived as injustice, despite the lack of state support (Lange and Kolstad 2012, Lange 2011, Lange 2008). Against this background, this thesis focuses on the interaction between companies and communities and not on the state, although the state, like other company stakeholders, will be included with regard to its influence on this local interaction. The reason for this is that the state is still important for the effectiveness of a company's social responsibility (Ruggie 2009, Lindsay 2012).

1.2   Statement of the Problem

For the past decade or so, researchers have embarked on studies of relations between communities and multinational companies (Kemp et al. 2011, Kapelus 2002, Eweje 2006, Ako 2012, Boele et al. 2001). Some have focused their research on mining companies (Owen and Kemp 2013, Kemp et al. 2011, Kapelus 2002). These scholars agree on the existence of unhealthy relationships between the two.

Existing attempts by companies to address the situation using a voluntary CSR approach have been criticised by some and supported by others. One of the criticisms was the effectiveness of self-regulation (Lindsay 2012, Utting 2007, Utting 2005). Experience shows that in the absence of a system of monitoring and sanctioning noncompliance, many companies are not motivated to comply (Kemp et al. 2011 citing Bebbington and Bury (2009)). Others have argued that when there is a 'business case', self-regulation works (Sarker 2013). A business case itself is controversial. In its worst form it can be taken to mean possible gains or threats of incurring loss as a result of company (in)action. As multinational companies are operating in different contexts, where they have to face stakeholders with different levels of power, legitimacy and urgency (Mitchell et al. 1997), non-compliance can be a "business case". This is if this adds to shareholders' value by reducing operating costs. These shareholders have more influence on company decisions when one applies the stakeholder salience model that explains why some stakeholders' demands are responded to while others are ignored (Mitchell et al. 1997). According to this theory, shareholders' interests ranked above all other stakeholders' interests because of their power, legitimacy and ur-

gency (Mitchell et al. 1997). This means that the efficiency of the market to motivate positive behaviour is limited, as scholars such as Vogel suggest, because there is market for both responsible and irresponsible firms (Vogel 2005). As a result, a call has arisen for companies to be regulated by third parties.

Scholars have discussed and proposed state and/or societal regulation (Lindsay 2012, Newell 2005, Garvey and Newell 2005, Newell 2006, Reed et al. 2013, Utting 2012, Reed 2012). Despite the importance of the state in influencing companies' compliance (Albareda et al. 2008), in developing and less democratic countries it is common to find the state implicated in human rights abuses that have links to companies' operations. This makes accountability to non-state actors, the civil regulation (Vogel 2010), the most important option.

In this form of accountability, communities are important players because they are in close proximity to companies' operations; the external effects of these operations have a direct impact on these communities. On the other hand, their resistance can directly affect company operations (Owen and Kemp 2013, Prno and Slocombe 2012). Nevertheless, few studies on societal accountability have placed emphasis on the community's role (e.g. Garvey and Newell 2005, Owen and Kemp 2013, Keenan et al. 2014, Kemp et al. 2011). This thesis responds to a call to focus on communities when studying mining companies' social responsibility (Kemp et al. 2011). Specifically, the thesis takes the interaction between companies and communities as a unit of analysis. This means it moves away from studying the problem from the community standpoint alone, as is often the case (Kemp et al. 2011). It frames the interaction as localised social accountability in order to differentiate it from many other forms of societal accountability or from general terms such as corporate accountability, which encompasses accountability to all or any societal stakeholders. The focus on the two (company and community) is what gives the framework the term local: they are the local players. The role of other civil and state stakeholders is also included in the framework as the two (companies and communities) do not operate in a closed system.

Following Valor (2005), the developed localised social accountability framework borrows from political accountability literature, which is largely state centric (Bovens 2007, Bovens 2010). The thesis begins from the assumption that accountability leads to community acceptance of companies. This means that accountability is used, in the words of Prno

and Slocombe (2012: 348), as "a goal and a set of rules". Localised social accountability can be described as a relational and interactional approach where communities have the power to agree/disagree, monitor and exercise some control over the decisions and actions of a company within areas of their concern. The thesis is expected to add to approaches that are used to study company community relationships as interaction rather than from a company or community standpoint. The existing approaches, such as the social licence to operate, are criticised for considering any societal actors as having equal rights to grant this licence, which has seen communities neglected (Owen and Kemp 2013).

The thesis applies the localised social accountability framework to study gold mining and community interaction as reflected in the four thematic areas of land grievances, environmental pollution, violent conflict and social spending. This is achieved by studying the cases of Geita Gold Mine, North Mara Gold Mine and Bulyanhulu Gold Mine in Tanzania. The thesis will focus on and problematise land issues because they were among the first issues to arise when large-scale gold-mining companies were introduced; thereafter it will examine environmental issues as they were reportedly the first complaints by communities after these companies had begun their operations. These two themes will pave the way to explaining violence as a strategy used by communities in the absence of a more peaceful and effective strategy to force these companies to be accountable for these perceived injustices. Lastly, the thesis will problematise social services provision by gold-mining companies, which will be referred to as social spending. Social spending will be approached as conflict laden and not conflict free, as depicted by companies and some management scholars. Conceptualising social spending in this way allows the researcher to investigate the elements of compensation for companies' side effects.

1.3   Research Objectives

The main objective of this study was to explore and explain the mechanisms and the extent of local social accountability demonstrated by gold-mining companies in Tanzania on issues of land grievances and environmental pollution. It also explores the extent to which communities' violent strategies and companies' social spending could be applied as

a means of resistance and compensation respectively. The specific research objectives were as follows:

To develop the localised social accountability framework that is operationalised in chapters 4, 5, 6 and 7 on land, environmental pollution, violent conflict and social spending respectively. This framework is dealt with in chapter 2.

To apply the localised social accountability framework to explore and explain the success or failure of host communities in extracting accountability from gold-mining companies on claims of injustices arising from land transfers and environmental pollution. This is discussed in chapters 4 and 5 respectively.

To apply the localised social accountability framework to explain violent conflicts as a community's tool for demanding accountability from companies; this is discussed in chapter 6.

To apply the localised social accountability framework to explore and explain how a company's social spending is used as its response to a community's claims and hence as compensation for the company's operational side effects. This is dealt with in chapter 7.

1.4   Research Questions

The following research questions were posed to guide the research:

How and to what extent have communities around gold mining in Tanzania been (un)successful in extracting localised social accountability regarding land grievances from gold-mining companies?

How and to what extent have communities around gold mining in Tanzania been (un)successful in extracting localised social accountability regarding environmental pollution from gold-mining companies?

How and to what extent have communities around gold mining in Tanzania been able to use violence to demand company response to their claims regarding the impact of operational side effects, unfair land transfers and environmental pollution?

How and to what extent is gold-mining companies' social spending used as a response to communities' claims and hence as compensation for companies' externalities? What is the role of the communities in this process?

It should be noted that although localised social accountability is a community's right this does not mean that it is guaranteed. It needs to be claimed (Garvey and Newell 2005) or established through institutions. In the absence of an institutional set up this form of accountability depends on a community's ability to claim it successfully. This is why this thesis research objectives and research questions are expressed in such a way that the community is expected to demand accountability from companies. This should not be interpreted as laying blame on communities; rather, it means that accountability is unidirectional. It also requires the recognition by those accountable that the accountee (the forum) is legitimate, hence is also relational (Bovens 2007).

This does not rule out the fact that the success or failure of communities' initiatives depends largely on other actors such as corporate parents, NGOs, investors but also the state. For example, companies operating in a state that has strict law enforcement for the protection of human rights would be expected to be more socially accountable to host communities for fear of legal sanction than those operating in countries with no such enforcement (Lindsay 2012). The state is one of the external actors in the localised social accountability framework that influences the success or failure of this approach. In other words, it should not be interpreted that the thesis is placing the entire burden on the community, but by focusing on it, it hopes to expose what role those who could assist in making a difference have played.

1.5   Research Approach

This study follows critical realism approach. This approach argues that truth is discovered in layers: empirical (or what is observable); actual (the structures behind what is observable); and real (mechanisms/generators that connect the empirical and the actual) (Willmott and Al-Amoudi 2011). Critical realists strive to reach the "real". Critical realism provides answers to what is regarded as a weakness of the positivist tradition of focusing on causalities between variables. The positivist misses the generative structures operating in these variables that make possible the "ef-

fect" because their interest is in the "extent". Postmodernism on the other hand makes an intensive study while also rejecting theories, making the findings relevant only to specific, studied phenomena; relativism that cannot be generalised in any way (Easton 2010).

Critical realists make use of theory informed by the phenomenon under study, moving from abstract to concrete and from concrete to abstract (or theory) repeatedly until the saturation point is reached; a point at which no further data or theory can explain the phenomenon (Danermark 2002). This process is known as retroduction. This makes the approach very suitable for explanatory studies, studies that ask the questions "how" and "why", as the questions posed in this thesis (Easton 2010). As research questions established prior to data collection are guided by literature, critical realism enables the researcher to reformulate them when necessary, based on fieldwork encounters. This was the case in this thesis. Initial questions were broad enough and produced sufficient data to refine the research questions, as explained above. This is a common procedure in qualitative research (Marshall and Rossman 2011). Field data were also used to develop the localised social accountability framework by modifying it from the literature on accountability (Bovens 2007, Bovens 2010). This was the most suitable approach to use in these circumstances; there were tensions and contestations surrounding the subject in question, the interaction between gold-mining companies and communities. Critical realism allows the use of a multiple data collection approach, using different data sources in order to triangulate (Easton 2010, Rubin and Rubin 2012). This was an appropriate research design for this is case study as it allowed for the use of methods of data collection and different sources making triangulation possible (Yin 2003).

1.6   From corporate accountability to localised social accountability: the study's relevance

When it comes to the accountability of a company, the commonly used term is corporate accountability. Corporate accountability requires that a corporation should explain and justify its (in)action to a third party, which is commonly referred to as its stakeholders. This thesis uses a concept, localised social accountability, derived from the concept of corporate accountability but with a specific focus on host communities as the accountees. Corporate accountability is a less developed concept

(Valor 2005). Scholars have studied the same, borrowing from state centric literature (Valor 2005). This thesis uses this literature to identify indicators for accountability (Bovens 2007) and its mechanisms (Bovens 2010) in interaction between company and community.

The thesis moves from corporate accountability (Ward 2000, Utting 2008, Utting 2012) to the term localised social accountability. This is done to focus the study on local communities and to differentiate the term from the broader one that incorporates accountability to any or multiple company stakeholders. By accountability the thesis means "that some actors have the right to hold other actors to a set of standards, to judge whether they have fulfilled their responsibilities in light of these standards, and to impose sanctions if they determine that these responsibilities have not been met" (Grant and Keohane 2005:29). Where corporate accountability studies have generally included the control of corporations by the society and mechanisms that support this such as multistakeholder initiatives (MSI) (Bendell 2005), localised social accountability places the emphasis on the levels of accountability, giving importance to the role of the local community. It is hoped that this will respond to a call to place emphasis on the victim communities who are otherwise neglected, not only in CSR accountabilities (Bendell 2005) but also in other recent approaches such as the Social License to Operate (Owen and Kemp 2013). CSR and Social License to operate have a tendency to generalise the stakeholder concept. A firm is believed to be more responsible if it is open to stakeholder participation. In many cases, this stakeholder position is taken by the more powerful in society and, in many instances, they end up reinforcing the marginalisation of the victims or the beneficiaries (Bendell 2005). Bendell observes that even MSI that were viewed as doing a good job of assessment, monitoring and enforcing corporate social responsibility had unintended consequences as a result of sidelining the beneficiaries or victims. These MSI were initiative from the North and membership was made up mostly of northern NGOs. Audit firms were contracted from the North as well. These auditors, as observed by Bendell, had limited time (sometimes only three days) to carry over their field audits because they were also expensive (Bendell 2005). In addition, they relied on companies (because of a lack of time) to provide people who would respond to their assessment questions. In the end, companies could use this process to prepare people who would provide answers that would not disclose the reality (Bendell

2005). Bendell proposes that stakeholder democracy means the participation of the beneficiaries and victims in the decisions that affect their lives, although he also agrees on the broadness of the term stakeholder and that some companies have used the term stakeholder democracy to mean different things: all or any stakeholder (Bendell 2005). Similarly, Boel et al. (2001) propose a stakeholder rights-based approach instead of stakeholder management or CSR approaches because these approaches neglect stakeholder engagement, something that leaves the human rights of victim communities unattended to (Boele et al. 2001). Without this, Boel et al. (2001) contend, the hostile environment, which is created by aggrieved communities, will persist. The situation between gold-mining companies and communities reflects not only a power relationship in which there are beneficiaries and or victim communities, but also a conflict relationship, which also necessitates accountability.

Mining companies and community conflicts have been well documented (Evans et al. 2002, Abrash and Kennedy 2002, Chan 2014, Mensah and Okyere 2014, Lawson and Bentil 2013, Luning 2012a). While very few communities have tried or succeeded in resisting the establishment of mining operations altogether (such cases are found in South America) (Burneo et al. 2008), many welcomed these investments with hopes that they would bring with them development (Lawson and Bentil 2013) as most of these communities were located in remote, underdeveloped areas (Lawson and Bentil 2013). Instead of enjoying employment and improved social services as was anticipated, many began to complain about the unfairness of compensation, physical and economic displacement as the result of land grabbing, environmental pollution and human rights violations. The inflated expectations of short-term thinking resulted in long-term problems, as expectations were not realised.

Communities tried different forms of struggle in an effort to extract what they perceived as their rightful, fair share and fair treatment. Instead of targeting the state that had allowed and protected these investments, many gold-mining companies became the centre of community struggles. At this operational stage, these struggles largely involved negotiating better terms rather than stopping these mines from operating (Burneo et al. 2008: 906 footnote).

The tendency of communities to target companies and not the state is justified for a number of reasons. Mining activities have a limited (and usually short) life span, depending on mineral deposits. This requires a

quicker response. On the other hand, the nature of community claims for issues such as environmental pollution require more immediate redress. Confronting the companies directly is regarded as a shorter route than initiating changes through state policy. New policy may emerge when the company has already closed down its operations. Even where there are regulations covering community claims, it is common to hear complaints based on challenges communities are facing, such as lengthy processes in seeking justice and unfair legal systems that are in favour of large scale corporations (Hilson and Carstens 2009).

Research on what level could effectively bring changes has given rise to debates on the power of the state in the era of neoliberalism. There are those who consider the power of multinationals as surpassing that of the state, especially those that are poor. Their arguments are based mostly on protective international laws on trade (Ireland and Pillay 2010), which are backed by reforms made by the host countries to attract these investments (Campbell 2011). Experience shows, however, that the fixed nature of investments like gold mining has worked to the advantage of these richly resourced poor countries as they have exercised the power of amending existing contracts or renegotiating for better terms. They have done this despite threats of conviction under international regimes that protect these business contracts (McKinsey Global Institute 2013, Campbell 2011). However, these governments' reform initiatives have focused mainly on tax revenue increases and not on changing laws to make social and environmental practices more binding (Campbell 2011). For instance, despite the fact that states' hands were tied by the mineral development agreements (MDAs) (Bourgouin 2014) there have been cases, including in Tanzania, where renegotiation of favourable tax and royalty terms have taken place (Muganyizi 2012). These initiatives frequently neglected the social and environmental concerns of the host communities. This has left these non-fiscal issues at the mercy of these companies who through voluntary standards (CSR) often promise to take care of these concerns (Campbell 2011). In the event, these are empty promises or do not match communities' expectations (Eweje 2007).

Communities experiencing these side effects could not wait for the state-centric solutions and many opted for their own local struggles as an immediate solution to their urgent claims, specifically the perceived unfairness experienced in land transfers, environmental pollution, and other

human rights abuses and social economic development deprivations. The only workable option communities had was to confront these companies directly (Trebeck 2007). As struggles went, these were neither easy nor guaranteed (Garvey and Newell 2005). Some companies, however, albeit a few, were pressured to respond, as we shall see in this thesis.

Some scholars have observed that companies can be responsive but still not accountable (Bovens 2007, Lindberg 2013). This is truer when that accountability is localised. Many company responses came via CSR self-produced reports that were not meant for victim communities as they were written in foreign languages, for example English or Spanish, and largely accessible online. These reports responded to other, powerful actors who had concerns about what was happening on the ground. These were mostly investors and other stakeholders from their home countries, both of whom were too far away to verify what was being reported. Some critiques, especially those from NGOs referred to these reports as greenwash, blue-wash or window dressing as they were mostly rhetorical and not reflective of what was happening on the ground (Emel et al. 2012).

When one compares cases, it is clear that communities who succeeded in forging some formal agreements with these companies on how they should operate and how they should benefit from the operations were far better off (O'Faircheallaigh 2013). Some of these agreements included the possibility of court intervention in cases of unresolved disagreements. This clarifies the interlinkage and complementarity of soft and hard law (Utting and Marques 2010); but court systems have to be effective for this to work, something which is still lacking in many developing countries that are rich in resources.

This thesis then moves from focusing on state policy and state-centric accountability towards what community struggle can or cannot do and why. Localised social accountability as the analytical framework is used to analyse this struggle. The section that follows will focus on developing this localised social accountability framework for the analysis of a gold-mining company.

1.7   Structure of the thesis

The thesis consists of eight chapters; chapter 1 introduces the problem and sets the stage. Chapter 2 focuses on the localised social account-

ability framework and its development. Chapter 3 discusses the research methodology and case selection. It provides explanations of how and why three case companies were chosen, and discusses the research data collection methods. The chapter also discusses the general and specific characteristic features of individual cases (companies) and host communities. In addition, the chapter describes the NGOs involved in this study. NGOs were instrumental in many aspects of localised social accountability and this is why they are discussed here: this sets the stage for understanding their role in the empirical chapters. Chapters 4, 5, 6 and 7 are the empirical chapters. Chapter 4 focuses on land issues, chapter 5 on environmental pollution, chapter 6 on violent conflict, and chapter 7 on social spending. Chapter 8 concludes the thesis.

The chapters in which the empirical aspects of the study are discussed start with land conflict and end with social spending not by accident but because field data made it clear that land was the basis and source of many other conflicts concerning the three gold-mining companies. Other issues such as environmental pollution and violent conflict found their roots in land disputes: the access, use and security of tenure.

The initial field data analysis informed the author that the three mining companies shared common issues of environmental pollution. The decision to write a chapter on environmental issues (chapter 5) before violent conflict (chapter 6) was to make not only the context surrounding this violent conflict clearer but also the reasons these communities turned to violence rather than peaceful strategies to make companies accountable. Chapter 7, focused on social spending, became the last empirical chapter because from a localised social accountability lens social spending was a form of compensation for communities who could in this way, extract some form of accountability from companies. Because accountability was a struggle, compensation in the form of social spending came to those who could persistently apply violence. The chapter concludes that in the absence of meaningful community resistance and pressure from other stakeholders a company applies voluntary CSR that is characterised by, among others, minimal social spending.

Notes

[1]https://www.kpmg.com/Africa/en/KPMG-in-Africa/Documents/2013%20African%20Country%20Reports/KPMG_Tanzania%202013Q2.pdf accessed on 19/05/2014

2 Localised Social Accountability: the analytical framework

This chapter develops a social accountability framework that will be applied to analyse land and environmental issues. These are critical to community claims and violent conflicts, strategies used by communities, and to social spending, employed as a response to these claims by the companies concerned. This chapter begins by explaining the rise of localised accountability in gold mining. Then the framework is presented. This social accountability framework is an extension of work on state-centric accountability. There are differences between state-centric and social accountability for gold-mining corporations. The framework takes some elements of accountability from the former that can explain the social accountability of gold-mining corporations and adds new elements that are specific to gold-mining corporations and community social accountability relationships.

Work that has departed from state regulation has studied societal influence with a focus on NGOs (Keck and Sikink 1998). This thesis focuses on the community as made up of societal actors who have come under less scrutiny with regard to what they can/cannot do to change corporate behaviour (Newell 2005 Kemp et al. 2011). I anticipate that social accountability will help in the study of this. Social accountability is defined as:

> a non-electoral, yet vertical mechanism of control that rests on the actions of a multiple array of citizens' associations and movements and on the media, actions that aim at exposing governmental wrongdoing, bringing new issues onto the public agenda, or activating the operation of horizontal agencies. It employs both institutional and non-institutional tools. (Smulovitz and Peruzzotti 2000:150)

Although this definition is applicable to the state, it can apply equally well to the social accountability of gold-mining multinationals. In the

case of corporations as accountors, social accountability is engineered by the community, NGOs and media in order to expose corporate malpractices and seek redress using formal and informal mechanisms. By the term formal mechanisms we mean a court of law and regulatory authorities who are activated by these societal actors or who present claims to the formal regulators to pressure them to do something (Smulovitz and Peruzzotti 2000) as noted below:

> The activation of legal actions or claims before oversight agencies are examples of some of the available institutional resources; social mobilizations and media exposés illustrate some of the non-institutional ones. (Smulovitz and Peruzzotti 2000:150)

It is widely agreed that problems of enforcement of existing state regulations and the nonexistence of international law to regulate transnational corporations are responsible for multinational firms behaving irresponsibly. Corporations have taken the initiative in responding to criticisms and scandals through corporate social responsibility (CSR). Despite this, criticisms and scandals persist. The focus of this thesis on social accountability is expected to provide another way of looking at the problem and its possible solution, a societal type of regulation. The choice to study social accountability was made in order to investigate how society can or cannot succeed as far as corporate accountability is concerned. The focus is on communities that play host to these companies; but in order to understand their capabilities other actors will be studied as well. The reason for this is that the social accountability relationship between communities and corporations is not binary. Communities are not only one of a number of gold mining companies' stakeholders; there are also other actors' (in)actions and a number of factors that could facilitate or hinder what these communities can achieve . Corporate social accountability involves a web of accountability relationships (Garvey and Newell 2005). This makes it a form of accountability with its own kind of complexity, different from that of the state and other intergovernmental organisations. Corporations are supposed to incorporate the concerns and interests of multiple stakeholders, including shareholders and host communities that are affected or that could affect the firm (Freeman 1994). This introduced societal duty, which in practice is corporate centred, is operationalised under CSR standards and practices. This chapter focuses on the factors that promote or limit corporate so-

cial accountability, based on the two perspectives (actor and forum). It is hoped that this will be an addition to the body of knowledge in this field as it is expected to build on what was started by scholars who focused on state-centric and intergovernmental organisations' accountabilities (Ebrahim and Weisband 2007, Bovens 2007, Kraak et al. 2014, Grant and Keohane 2005, Smulovitz and Peruzzotti 2000).

Accountability is defined as "a relationship between an actor and a forum, in which the actor has an obligation to explain and to justify his or her conduct, the forum can pose questions and pass judgement, and the actor may face consequences" (Bovens 2007: 450). From this definition, one can understand social accountability as a mechanism through which a corporation as an actor is compelled to provide an account of its actions to stakeholders as forums: based on their response, the corporation might face consequences. The focus of the thesis is on the community as the forum and this is where the term "local" comes from; localised social accountability. However, there are multiple forums besides the community. This complicates this form of accountability, as it is common to find a number of forums with multiple and conflicting interests, pulling company behaviour in different and conflicting directions (Garvey and Newell 2005). It is also common to find multiple and conflicting interests and claims within a community forum as well as other forums. The social accountability framework developed in this chapter is used as a guide to answering the overarching research question and sub-questions presented in the introductory chapter:

Social accountability does not replace CSR (as CSR is built on stakeholder interests) but it means making CSR promises and standards implementable by introducing mechanisms for 'enforceability' and 'rectification' (Ebrahim and Weisband 2007). It proposes moving away from corporate implementation, monitoring and evaluation of standards to the regulation by other actors, especially those who are affected or under threat of being affected. In social accountability, goals and criteria are not company-centred (as they are in CSR) but a result of negotiation between the firm and the community. Accountability then emerges as a movement to identify and correct the weaknesses of the contemporary CSR that was embraced as a solution to challenges associated with the neoliberalism of poverty, inequality and inequity (Utting and Marques 2010). Using the stakeholder concept (Freeman et al. 2003) reveals that there are many entities pushing for accountability relationships with a

corporation. This makes social accountability complex and "not the simple and clear social panacea that its advocates might pitch, but rather a complex and somewhat ambiguous construct even when applied to fixed corporate realities" (Ebrahim and Weisband 2007: 11).

As mentioned in chapter 1, corporations have assumed roles that were previously exclusively the domain of the state. They not only provide for social services but also engage in local and international politics of rulemaking as well as setting regulations for their own operations and their monitoring. This makes them powerful actors and, as in the case of the state, this power needs to be checked by those it is (or might) be affecting (Utting and Marques 2010). Others have argued that indeed, corporations not only contribute to public goals such as employment, taxation and goods and services, but also to public evils such as pollution, while being active in the public domain to advance their own direct and public interests (Burris 2001, Néron 2010). Because they were not elected, there is no principle-agent relationship between them and the community. When they are guilty of malpractice, the state should be the regulator; however, the state has failed in this regard because of, among other things, the transnational nature of these corporations and its own unwillingness. This results in corporations feeling obliged to account if and only if a community can successfully pressure them to do so. This accountability is post ante: that is, the relationship exist where there is externalities rather than being permanent. Therefore, although the social accountability movement may result in policy change and new regulations, it is usually post ante and as Lindberg (2013) observes, it is also weaker than a state regulation form of accountability; societal forum has no authority to sanction the corporation (Lindberg 2013). This makes the ability to "voice intensively" rather than with "extensive representation" an important factor in the success of social accountability relationships (Smulovitz and Peruzzotti 2000:150) as it is not a democratic form of relationship where the majority rules.

Hirschman (1970) is among the earlier scholars to propose the politicisation of business as opposed to Milton Friedman's proposal that the "invisible hand" works perfectly well even for public goods. His model proposed Exit, Voice and Loyalty as options that not only consumers but also members of any organisation have, that I take to include host communities. Voice is defined as "any attempt at all to change, rather than to escape from, an objectionable state of affairs, whether through

appeal to higher authority with the intention of forcing a change in management, or through various types of actions and protests, including those that are meant to mobilize public opinion" (Hirschman 1970: 30). Exit on the contrary means there should be a competitive environment that allows alternative choices (like competitive markets). The Exit option reduces opportunities to voice and when the "exist" option is unavailable, "voice" is an option (Hirschman 1970). He argues further that the two, exit and voice, work as complementing each other rather than as substitution, but I reserve the right to engage more deeply in a discussion of this as it is more relevant to customers than host communities. Most community members would not be able to change their place of residence easily (exit), which results in voicing in most cases being the option.

There are two schools of thought in the literature when it comes to (corporate) social accountability (Utting 2008). These two camps agree that there is something wrong with CSR, but the first camp argues that CSR in voluntary form should be completely discarded. The second camp argues that there should be a mix of soft and hard law, taking into account varieties of capitalism (Utting and Marques 2010). There is no debate between the two camps on the fact that contemporary CSR is built on the CSR from the past century while ignoring "key conceptual, historical, empirical, political and institutional dimensions" (Utting and Marques 2010:4). It is also agreed that while promoting CSR using best practices and win-win discourses, the potential for replication and scaling up was hampered by ignoring "power asymmetries, structural constraints, the role of the state, and inter-group conflict and bargaining" (Utting and Marques 2010:4). The first camp proposes the rejection of CSR altogether, which is not considered feasible because experience shows us that the state, acting unilaterally, has proven to be an ineffective regulator (Utting 2008). The challenge remains to find a proper mix of hard and soft law, taking into account countries' institutional variations (varieties of capitalism). It is within the paradigm of the second camp that this thesis presents its arguments.

Social accountability as used in this thesis should not be confused with the call for hard law. Instead of looking at hard and soft law as binaries, the two complement each other as the regulatory gap resulting from the absence of specific hard law/regulation can be bridged by voluntary standards (Utting and Marques 2010). In addition, social account-

ability is aligned with stakeholder theory as far as agreement that corporations are responsible to a number of organisations and individuals and not just to shareholders is concerned. Social accountability empowers stakeholder to question the actions of corporations that have an impact on them rather than being passive actors as with CSR. Social accountability also pushes for the state to perform its duties as regulator by seeking legal and regulatory intervention where informal mechanisms are not working. What social accountability is seeking is the enforcement of responsible behaviour; most of which is already covered in CSR standards; it is only that these standards are not enforceable and corporations are not made answerable to them. This means that accountability could also be defined as a mechanism for making CSR enforceable. As this is not an easy or straightforward accountability relationship (it is still a struggle) this chapter will focus on conceptualising social accountability by providing a framework that can be used to identify factors that lead to success or failure of a localised (corporate) social accountability.

The following section will briefly explain localised social accountability before moving on to the main section that deals with the social accountability framework. The section will also throw some light on how the empirical chapters will illustrate parts of the framework. The chapter ends with a brief overview of the chapter before concluding that, owing to the fact that the effectiveness of this localised social accountability depends on formal regulation and law, it should not be seen as a supplement but rather as a complementary approach to solving the problems of corporate malpractice. As with state regulation, it cannot unliterary be a solution to these problems.

2.1   The need for localised social accountability

Mining companies and community conflicts have been well documented (Evans et al. 2002, Abrash and Kennedy 2002, Chan 2014, Mensah and Okyere 2014, Lawson and Bentil 2013, Luning 2012a). While very few communities intended or succeeded in resisting the establishment of mining operations altogether (such cases are in South America) (Burneo et al. 2008), many welcomed these investments in the hope that they would bring development to their localities (Lawson and Bentil 2013). Most of these communities were located in the most remote, underdeveloped areas (Lawson and Bentil 2013). Instead of enjoying em-

ployment and improved social services as was anticipated, however, many began to complain of unfairness in compensation, physical and economic displacement caused by land grabs, environmental pollution and human rights violations. The inflated expectations in short-term thinking resulted in long-term problems, as expectations were not realised.

Communities started different forms of struggle with the aim of extracting what they perceived as fair treatment and their rightful and fair share of the benefits. For several reasons (some will be discussed here), many gold-mining companies became the centre of community struggle, unlike the traditional practice of confronting the state. At this operational stage, these struggles were largely directed at negotiating better terms rather than stopping these mines (Burneo et al. 2008: 906 footnote).

Among the reasons for focusing on the company and not the state was the fact that, depending on mineral deposits, mining activities often have a limited (and usually short) life span. This means that compensation for communities must be a matter of urgency. As conceived by pro-economic development, this means economic benefits to take care of externalities (Kirsch 2010). Confronting the companies directly could be a shorter route than initiating changes through state policy. New policy may come only when the company has already shut down its operations. Where there are regulations covering community claims, challenges such as lengthy and complex processes in seeking justice are common (Carstens and Hilson 2009). On the other hand, if the few policies that are in existence are not effectively implemented it may be of less use to add new ones.

As discussed in chapter 1, views on the capabilities of the state to regulate multinationals are mixed. Basing their arguments on international laws that protect international business, some argue that states in developing countries cannot impose tough sanctions for fear of financial penalties (Ireland and Pillay 2010). However, these countries have made massive legal reforms in an attempt to attract and facilitate these investments, at the expense of the country's broader development and specifically the victim communities (Burneo et al. 2008, Campbell 2011). Other studies have shown that some states have started exercising their power by forcing the renegotiation of investment contracts with these companies. This is done in the presence of protective international regimes (McKinsey Global Institute 2013, Campbell 2011). These new reforms

have rarely taken communities' concerns, such as issues of pollution and other social malpractices, into account, however (Campbell 2011). Despite the presence of protective mineral development agreements (MDAs) (Bourgouin 2014), Tanzania also introduced these reforms and renegotiations, based mainly on more tax (Muganyizi 2012). Community social and environmental grievances depended on the responses of the companies through voluntary standards (Campbell 2011). In the absence of some pressure, especially violence (Trebeck 2008), the responses were limited and merely indicated that there were community CSR initiatives.

Moreover, the local struggle for social accountability could be linked to the limitations communities were facing as small parts of a country in pushing for state-centric actions. The result was that communities' demands were rarely on the table during renegotiations and amendments to mining contracts. They were left with only direct confrontation (Trebeck 2007), but this was neither easy nor a guarantee that companies would change (Garvey and Newell 2005). Only a few succeeded in extracting a response from companies. Not all these responses amounted to accountability, either (Bovens 2007, Lindberg 2013). Company responses via CSR self-produced reports to the public cannot be said to be accountability to communities. The languages used in these reports were foreign (English and or Spanish) and largely available only online, and inaccessible to communities. These reports were in all likelihood responding to other powerful actors who showed concerns with what was reported to be happening on the ground but who were also too far away to verify what was being reported. Some critics, especially those from NGOs, referred to these reports as greenwash, blue-wash, or window dressing as they contained mostly rhetoric and were not reflective of what was happening on the ground (Emel et al. 2012).

Few communities have succeeded in forging any formal agreements with these companies on how they should operate and how the communities should benefit from their operations (O'Faircheallaigh 2013). Some achieved the addition of the possibility of court intervention in the case of disagreement, which supports the argument that there is an interlinking and complementarity of soft and hard law (Utting and Marques 2010). For this to work, however, there should be an effective court system, something lacking in many developing countries. This thesis focuses on the community rather than the state for this reason.

2.2   Conceptualising localised social accountability

Accountability is not a new term especially when used with reference to the state. It is connected to early philosophers such as Locke, who wrote on representational democracy to explain the relationship between the state and its citizens (Grant and Keohane 2005 Locke (1690) 1980), cited in Lindberg 2013:203).The use of the term has been traced back to business practices of financial record keeping (bookkeeping) for owners of the capital (Bovens 2007). Its introduction to the state followed the same logic of explaining (in)actions to those who delegate power to an organisation, be they the citizens or another organisation (e.g. parliament vs. executive branch), based on which there is a possibility of facing consequences (Dubnick 2002, cited in Bovens 2007:448).

As pointed out earlier, accountability is the relationship between an actor and a forum, where the actor is obliged to explain and justify his action and a forum can pose questions with the possibility of the actor facing consequences (Bovens 2007). The framework developed here (see figure 2.1) modifies Bovens' (2007) accountability framework, which was state centric. This is done by adding elements from other literature including works of Bovens (2010), Ebrahim and Weisband (2007), Black (2008), Lindberg (2013), Grant and Keohane (2005) and Ward (2000). It also borrows from one of the few works on social accountability that sheds light on the complexity of localised social accountability, that is, Garvey and Newell (2005). Based on empirical data, a number of new elements have been added to this framework in order to allow a more specific explanatory framework for gold-mining companies. These include compensation that is one form of consequence besides sanction. In addition, it adds new types of actors, juniors and majors that reflect the gold-mining industry structure, as this has an impact on this localised form of social accountability. Each of the framework's elements will be discussed, based on what factors make localised social accountability (un)successful and why. This will help to develop lenses through which to explain the empirical data (chapter 4 to chapter 7). The framework variables are explained in the following sections.

2.2.1   Actor: the company

An actor is an entity that is held to account to explain and justify (in)action (Bovens 2007). In localised social accountability, a company is

an actor. Some scholars refer to actors as agents in the sense that they act on behalf of the forum(s), which is supposedly the principal (Grant and Keohane 2005). But there are forums that are not principals, for example an actor may be compelled to explain and justify his action by the court despite the fact that in principal agent theorising a court is not a principal (Bovens 2010). Communities are not principals in this localised social accountability framework. This is because, unlike other stakeholders such as investors, their basis for holding companies accountable is negative impact and not power delegation. Another important point to note is that although the term actor will refer to a gold-mining company, depending on the types of claims, the state could be wholly or partly liable for some of the actions, as we shall see. This introduces the "problem of many hands" (Bovens 2007), where many actors in non-hierarchical relationships participate and are responsible for an action. Each of these actors, as summarised in Figure 2.1, is discussed below.

Figure 2.1
Localised social accountability framework
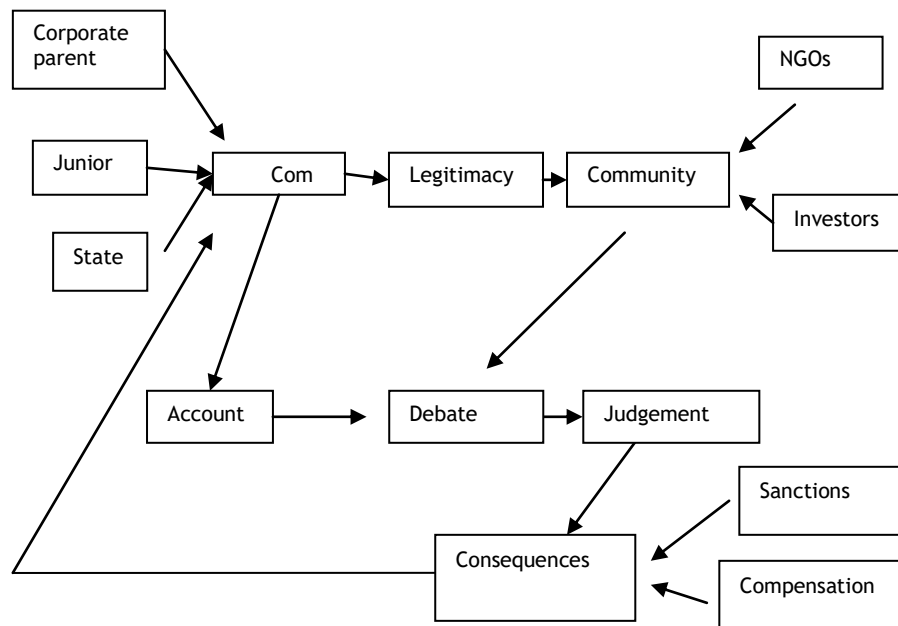
2.2.1.1 Major companies: Parent vs. subsidiary

Majors are companies that specialise in gold production. They are called majors because they have huge capital and their shares are usually traded on stock exchanges around the world. These companies, as mentioned earlier, are in most cases not the first investors in community land but rather, they buy juniors' land claims. Many land conflicts have their roots in the inception period; because these major companies are not directly responsible for these conflicts they often find room to reject community claims. In recent years, the United Nations has introduced principles to guide business on issues of human rights: these are popularly known as the Guiding Principles. According to these principles, a

company can be held accountable for human rights violations by a third party if it benefits from such malpractice (United Nations 2011). These principles are relatively new; most of these land conflicts date as far back as he mid-1990s, while the principles came into operation only in the year 2011. These large companies are members of the ICMM. Though ICMM, mining and the metal sector of the extractive industry has a set of CSR standards that are enshrined in 10 principles of sustainable development. These principles include the manner in which companies should engage with communities during the inception stages, specifically on issues of large-scale acquisition. For instance, the industry adapted the UN's Free Prior and Informed Consent principle, of which principle 3 states "minimize involuntary resettlement, and compensate fairly for adverse effects on the community where they cannot be avoided" (ICMM. 2003, ICMM 2013a).

Although critics have argued that CSR standards of mining companies are mere rhetoric (Slack 2011), they do provide a basis for challenging companies who have policy in place to implement them (Fox and Brown 1998). Many of the claims that are advanced by NGOs in support of communities have reference to companies' own CSR policies (which are driven largely by the ICMM framework). This makes it impossible for these companies to escape responsibility. They can only debate whether the claims are true or not.

Chapter 4, dealing with land issues, includes cases that illustrate this. Two of the three companies had changed ownership, from juniors to majors. The third company, which was a small one, changed ownership through a merger, changing from a "state-owned company" (Ghana) to a new company with a "major" company becoming the largest shareholder. This gave this "new" company ownership of the land claims although it was not accountable either as the most serious claims were the result of actions by the state.

Land is not the only source of community claims; there is also the issue if environmental pollution. Claims in this area are directly linked to these large companies as they have remained in these localities and their large-scale production is blamed for environmental problems. These include water, air and land pollution. This has led some critics to question the real meaning of sustainable mining, claiming that in fact it is what a mining company can do in terms of economic development to conceal its externalities (Kirsch 2010). This illustrated in chapter 7, which deals

with gold-mining companies' social spending that is framed as compensation (see figure 2.1) as a tool to escape other possible consequences of pollution and human rights violation, such as sanctions.

In order to understand these major companies better it is worth noting that they are multinationals with headquarters in other countries. Although many headquarters are in developed countries, companies in the gold-mining industry have on occasion changed their structures and now have regional offices. In recent years, Barrick Gold Corp – one of the corporate parents whose two subsidiaries are among the three cases in this thesis – has divided itself into a regional office and headquarters, forming African Barrick Gold (ABG). Barrick Gold Corp is still the majority shareholder with more than 70% of the shares. While the grandparent (Barrick Gold Corp) is a Canadian company, ABG is a UK-based company with headquarters in Dar es Salaam, Tanzania. This is worth noting as it has made the UK activists involved in this localised social accountability parallel with activists in Canada, as will be illustrated in empirical chapters.

Table 2.1
Key information on the major gold-mining companies in the world

R ank		H/Quar ters	Produc- tion (tonnes)
1	Barrick Gold Corp	Canada	194.4
2	Newmont Mining	USA	150.7
3	AngloGold Ashanti	South Africa	138
4	Goldcorp Inc	Canada	89.3
5	Kinross Gold	Canada	82.2
6	Newcrest Mining	Australia	72.4
7	Navoi Mining and Metal- lurgical Combinat	Uzbeki- stan	73
8	Gold Fields	South Africa	63.6
9	Polyus Gold International	Russia	52.8
1 0	Sibanye Gold	South Africa	49.4

Source: production data compiled from Investing News[1] and data on   headquarters from respective companies' websites

The parent subsidiary structure has been the centre of debate, particularly among scholars from law schools, who have studied liability of individuals, corporations and institutions. Liability of individuals arises when an employee, especially a CEO, is held liable; liability of corporations arises when a defendant is the corporation (subsidiary); liability of institutions refers to situations where the institution (parent company) can be held liable. There are also cases of combined individual and corporation liability (Saunders 2014). Individual employees could be held responsible when their actions have nothing to do with advancement of company objectives, as in the case of criminal acts. It is also well known that people's behaviour is influenced by group behaviour, such as a company culture; one worker replaces another and he will soon behave in the same way, unless the company changes its culture. (Saunders 2014). This makes focusing on the corporation or the institution necessary in order

to force it to reform its policy and culture (Saunders 2014). But as Saunders (2014) notes, countries' judicial system variations condition the choice and limit the form of legal activism, as will be discussed in greater detail when explaining the sanction element of social accountability. In many continental European countries, for example, the judicial system does not allow for group liability, which makes suing CEOs (not the corporation) the choice (Saunders 2014). As we shall see, each of the three choices has its own advantages and disadvantages (Saunders 2014). The point here is that the community and its allies could place liability on individual employees, the subsidiary, or the parent company; this has calculated benefits but also disadvantages as we will see when discussing sanctions. Experience shows that companies would choose the individual liability form of litigation as a last resort as a result of what is called the "judgement-proof" nature of individual employees: in most cases they would not be in a position to pay financial damages (Saunders 2014:14)

2.2.1.2 Junior companies

The gold-mining sector is structured in such a way that the small companies are the prospectors in the industry. These are referred to as junior companies. Most of the juniors have short-term objectives (Bickham and Marsh 2015) because they specialise mainly in exploration and selling mining claims to large companies, the majors. As we will see in chapter 4, these small companies often cause most land conflicts in the beginning stages of a project by, making them largely legacy issues (Bickham and Marsh 2015). Another reason for this could be that they have no reputational risk, as they are small and hence invisible (Hendry 2003). Moreover, they are excluded from international CSR standards that were intended for "big mining operations" (Luning 2012b:205). This has allowed them to get away with malpractice. The problem lies in the fact that juniors are not members of ICMM, whose membership is made up of large companies.

When these juniors pack up and leave, the communities are left with the option of confronting the new owners, the major (Bickham and Marsh 2015). This limits their chances of establishing an accountability relationship as it is at the exploration stage that companies acquire most land from communities. Many land conflicts have been directly triggered by these first investors, the juniors.

2.2.1.3 The state

As these companies are very important to the economy of many resource-rich poor countries, many states are hands-on in facilitating their smooth operations in order to attract more FDI to the gold-mining sector. The state (in this case Tanzania) made speedy changes to land policy and other investment related policies such as the mining policy to create an environment that would be conducive to the attraction of FDI. These policies, specifically the land policy, have been challenged from the outset (Shivji 2006) and their operationalisation seems to confirm their critics' fears. For instance, the land policy gave too much power to the president, which made free, prior and informed consent unlikely. The state, under the guardianship of the president, is the owner of all land in Tanzania. This has made it impossible for a community to refuse to sell "their" land to companies as the law allows the government to expropriate any land in the public interest. No definition of public interest is provided anywhere (Byamugisha 2013) but in practice it has been stretched to include these large private investments. Hence, through public policy, the state is making it difficult for communities to establish social accountability relationships with gold-mining companies as it complicates the ownership issue and compensation bargaining as well as payment of compensation, as is discussed in chapter 4.

The state is frequently responsible for many of the human rights violations of which companies are accused (Wettstein 2011, Oetzel et al. 2007). In the process of protecting company property, police commonly use excessive force that leads to deaths and bodily harm among members of local communities. Police and company guards have also been accused of rape. Similar accusations occur in many gold mining projects around the world, especially that using open- pit gold-mining technology, which suggests that the industry is prone to human rights violation practices.

It is also common for companies to engage in social service delivery (O'Faircheallaigh 2013), sometimes in partnership with the state, in what is referred to as a public private partnership (PPP). These are in many cases strategic investments aimed at benefiting the company (Condosta 2011). As is explained in chapter 7, evidence reveals that among the benefits expected to accrue to companies from these PPPs are the minimising of social unrest and responding to accountability claims in other areas such as land and environment issues, as they are used as

compensation mechanisms. As a result, they base their decision on how risky a community is to the company, and they favour more risky communities.

State engagement in social spending introduces the problem of 'many hands' when projects go astray. Chapter 7 will also illustrate how PPP in a community water project became a loophole for both actors involved, allowing them to escape social accountability.

The table below summarises actors who have role in companies' interaction with communities and their duties.

Table 2.2
Actor and duty in gold mining

Actor	Duty
Junior companies	Fair land compensation
Major companies	Environmental protection
	Respect for human rights
	Social services provision
State – central government	Land custodian
	Environmental monitoring and regulation
	Human rights protection
	Social services provision

Source: The author

2.2.2   The Forum: the community

A *forum* is an entity to whom explanation and justification is provided by an actor about his (in)action. It can include entities that are not principals, such as the courts (Bovens 2007). The courts are impartial entities that observe the extent to which the legislation passed by legislators (the principal) is upheld. They are not the principal but they act on its behalf but with impartiality. From a stakeholder perception of a corporation's

relationship with the society, the community is not the only forum to which a company owes explanation and justification and from which there is the possibility of consequences for its (in)action. In many instances there are multiple forums operating in parallel or in collaboration with the community to advance community demands or indirectly to suppress them. These external actors include international and national NGOs, investors, and home and host states (legislatures, regulatory authorities and the courts of law). It should however be noted that when a corporation is accounting to the state, this does not constitute localised social accountability (refer to the definition). Nonetheless, this could work to promote social accountability as when there are regulations that are effectively implemented a corporation might feel compelled to negotiate with the community in what can be termed accountability because there is a threat of litigation.

The following section turns to a discussion of community, NGOs and investors as forums and will conclude by discussing the state, as its action or inaction influences the success or otherwise of community and NGO forums in this social and localised accountability. Finally, it will deal with forum legitimacy and claims credibility.

2.2.2.1 Community as an important forum in localised social accountability

In localised social accountability, the community are at the centre as they are the ones directly affected by the externalities of the gold-mining companies' operations. They have a number of grievances arising from those that have to do with land grabs, environmental pollution, human rights violations, among others. The definition of the host community in gold mining itself has been a contested issue, as it seems to be a strategy companies have used for exclusion (Kapelus 2002). It is the company that defines who is and who is not its host community and it usually minimises the size of the community in order to minimise cost (Luning 2012b, Kapelus 2002). Take this example quoted by Luning from a consultant's presentation at the annual conference of prospectors and developers in Toronto:

> "Qualified community" means a community of persons located within [xxx] kilometres of any boundary of a mining right that has the potential to be negatively or positively impacted by mining operations, but excludes any community with more than [xxx] members. (Luning 2012b: 207)

This quotation shows that regardless of the impact, size is the major determinant of who is included and who is excluded. Although these are the words of a consultant who was presenting to a number of players in the gold-mining industry, it is reflective of what is happening on the ground as these consultants have an influence on the practices of these corporations and they also learn from them.

Community capacity to mobilise for collective action is influenced by structural issues as well as their ability to practise their agency (Wils and Helmsing 2001). Structural issues that have been identified by early scholars include networking with third party organizations, presence of a second and third tier organization, leadership which also has agency, as will be explained, and the level of decentralization that provides structure to the relationship between local (community) and central government (Wils and Helmsing 2001). These can enable or disable a community in taking collective action (Wils and Helmsing 2001), as explained below.

Community Association

Wils and Helmsing (2001) argue that having second and third level associations or federations are an added advantage to communities because:

> Firstly, numbers raise voice. .Secondly, associations can facilitate sharing of information and experiences. Thirdly … [due] to their larger size and scale of operation, associations can undertake functions, which are not feasible at CBO level. Second and third tier organization can strengthen the autonomy of CBO's vis a vis the state as well as the market. (Wils and Helmsing 2001:18)

Network with third party organizations

It has been pointed out that "the nature of the relationship between communities and 'external' actors who claim to represent them" is among the key factors in the success or failure of a community to extract localised social accountability (Garvey and Newell 2005: 399). Early scholars have observed that intervention by external actors such as NGOs helps to promote communities' ability to manage their affairs even in difficult situations where a community comprises individuals with diverse interests (Wils and Helmsing 2001). This kind of network is an enabling factor when it comes to collective action (Wils and Helmsing 2001). This is because these organizations, with literally no direct interest

(hence no bias) in the community's interest, help to harmonize the community for the common interest as opposed to other individuals' competing interests. This helps to solve the issue of scale by promoting what is of benefit to the wider community.

<u>Level of decentralization and state support</u>

This is both a structural and community agency issue. It has to do with issues such as the formal relationship between higher levels of government and the community, whether the state provides legal and administrative structures that enable the community to exercise its agency (Helmsing 1999, cited in Wils and Helmsing 2001: 8). Here the local government can acts as "external support" (or a hindrance) (Wils and Helmsing 2001: 8).

As discussed above, the state has an effect on the success or otherwise of a community's strategy for social accountability. The state's role depends on:

the nature of the state-corporation relationship;

the nature of the state-community relationship;

state's vulnerability to pressures from international groups;

the availability of information and transparency; and

the legal framework – its enforcement and accessibility. (Garvey and Newell 2005: 393)

The state's interest in economic gains makes it align itself more with companies than with communities. In the process of pressuring corporations for social accountability, communities find that they have to confront the state (Trebeck 2008): for example, the case of Shell and Saro Wiwa in Nigeria (Wettstein 2011). When communities confront these companies, for example, the police, who are militarizing these localities, use excessive force to supress any kind of opposition, even peaceful demonstrations, including detentions and intimidation. This is illustrated in chapter 6.

Moreover, as Garvey and Newell (ibid.) point out, access to information also plays a part. In many of the resource-rich poor countries,

Tanzania included, mineral contracts are kept secret (Bourgouin 2014). The public does not know what the state has promised companies and this limits its role as agent of citizens and protector of human rights. Citizens cannot demand the disclosure of information by companies either, as there is no law in Tanzania that compels companies to do this. As a result, it is unusual, for example, to find a company informing a community of a case of pollution until the community members themselves begin to experience the effects (feeling ill or experiencing a change in the appearance of their water). This will be discussed in chapter 5, where it is shown that only one of the three companies had made it public that there was a serious level of air pollution and that the community should not use rainwater. Once again, as the community could not hold this company accountable, it did not receive compensation.

Tanzania has never had a poor record with its international partners regarding human rights. This has had the effect that community struggles lack support from home states and other international communities. Only last year (2013), the UK parliament debated allegations of human rights infringements by the North Mara Gold Mine. Its government responded by implicitly showing little interest in interfering with Tanzania's national sovereignty (House of Lords. 2013). The boomerang pattern is thus established (Keck and Sikkink 1998). This occurs when activists in a company's supposedly more democratic home country pressure their state to coerce the host country to address the host community's claims against the company (or even the state). Up to now, these efforts have failed because home states and other states can easily ignore the killing of a relatively small number of local community members when a corporation is also associated with a civil war, as in the case of the DRC.

Community Leadership

This institutional set-up determines whether community leaders are democratically elected or not, which is significant when it comes to bottom-up community initiatives (Wils and Helmsing 2001). The possibility of being voted out means that the democratically elected leaders are more likely to be responsive to community concerns. However, a community needs not only leaders, but leaders who can exercise community management skills effectively (Wils and Helmsing 2001). Community management is "the capacity of the organised community to plan, im-

plement, monitor and evaluate its own prioritised activities" (Wils and Helmsing 2001:4). This is the community exercising its agency. Wils and Helmsing refer to the ability "to identify and prioritise its own needs, actively participate and guide the implementation of programmed activities, and monitor and evaluate and so learn from its own actions" when they speak of community management (Wils and Helmsing 2001:8). They observe that for a bottom-up approach to work there must be not only "community participation" but also "participatory community management" (Wils and Helmsing 2001:8). This requires leaders who can inspire followers not simply to depend on their formal positions. What they can do with these positions matters: their capacity and ability. That is, exercising their agency and championing their followers to exercise theirs as well.

Other factors

The ability of a community to extract localised social accountability also depends on other structural issues that are specific to a mining community. Mining communities are characterised as being mobile as many are also engaged in artisan and small scale mining (Bryceson and Jønsson 2010). The level of in-migration and out-migration, employment arrangements (whether a company recruits locals or fly-in fly-out staff, etc.) can have an impact on the success or failure of community strategy (Petrova and Marinova 2014). Moreover, the tendency of companies to employ fly-in fly-out working arrangements has an impact on community levels of organization (Petrova and Marinova 2014). This situation is characterised by a subsidiary company building camps to house its employees for a few weeks away from their families, whom they leave in other areas. These employees thus divide their time between certain weeks at work and certain weeks off duty. In most cases, companies provide chartered planes to capital cities. This is why the system is dubbed fly-in fly-out. With a few exceptions, this kind of in-migrant employee affects the community's level of social capital, as the chances of these employees integrating with the local community are slim (Petrova and Marinova 2014). These migrant workers have less sense of community, defined as one's identification with the place and culture of where one lives (Chavis and Wandersman 1990, Petrova and Marinova 2014).

Communities are not homogeneous in terms of how the company affects them or how they benefit from it, however (Garvey and Newell

2005). This heterogeneity can affect the success of social accountability strategies when companies succeed in using a divide and rule strategy. For instance, not all community leaders are there to champion community interests (Rifkin 1986). Some use their position for private gain (Rifkin 1986). The selective benefits they enjoy complicate their leadership role in demanding community justice. Rifkin notes that in many cases, leaders benefit more from community projects (Rifkin 1986); but a company benefits in terms of reducing responsibility when it regards some community members as more legitimate or some claims more "qualified" (Owen and Kemp 2013:34 citing O'Faircheallaigh 2007 and Smith and Finlayson 1997, Luning 2012b).

2.2.2.2 NGOs

This framework has placed NGOs on the side of the forum but they can rarely stand alone as a forum in this localised social accountability as they are neither directly nor negatively affected by company activities. They act more as advocates for communities. Two types of NGO exist, the activists and those concerned with social service delivery. The latter are not engaged in helping communities to function as a forum in local social accountability. They take money from the company to provide social services to communities, services that, as will be argued in chapter 7, they use as a strategy to silence local activism.

Some of strategies used by activist NGOs include local litigation in host and home countries. There are other strategies but in the cases in this study, litigation was the major strategy. This may have been because lawyers staffed these NGOs. One of the activist NGOs also provided legal training to a few community members and then recruited them as their paralegals. This was intended to make it possible for community members to collect evidence that could be presented to courts of law to convict the companies in question as these NGOs were based in Dar es Salaam, far away from mining operations, and would not be able to get there in good time should untoward incidents occur. Besides cases lodged locally by local NGOs in recent years, there have been efforts to do the same in the home countries of these companies. For instance, since 2013 there has been a case against ABG in connection with North Mar Subsidiary's human rights violations. This case was filed in the UK, despite efforts by the company to prevent this, as will be discussed in chapter 6.

As mentioned above, the UK parliament discussed the North Mara issue during one of its sessions. This can be attributed to the efforts of local and international NGOs activists (Keck and Sikkink 1998) as the discussion occurred after the case was filed in the British high court. In this discussion, the UK government hinted at its plan to discuss the issue with the Tanzanian Government (House of Lords. 2013), which is typical of the boomerang pattern described by Keck and Sikkink (1998). In this way, the networking between local and international activists makes possible the use of spaces available in developed countries to advance localised social accountability, although this will work only with communities who can successfully win the support of external actors (Garvey and Newell 2005), not only NGOs but also the media. Passive communities lose support of both the media and NGOs as we will see in chapter 6 when comparing the three communities and the pressure (in the form of violence) they exerted on companies. As pointed out earlier, there are features characteristic of communities that are necessary if community strategies to achieve social accountability are to work, and the communities in this study differed. An NGO's legitimacy depends a great deal on the type of community it represents and if it does not speak "with" the community, chances of it being legitimate are small (Shivji 2004).

In addition to litigation, NGOs have also called for intervention by an ombudsman in this social accountability struggle (Lindberg 2013). Ombudsmen have no power to sanction but have the mandate to demand information from defendants (Lindberg 2013). This is useful for NGOs and other activists who in their capacity are unable to demand such information. This was the case when NGOs asked the Tanzanian ombudsman (now the Tanzanian Commission for Human Rights and Good Governance) and the World Bank MIGA's Ombudsman (the CAO) to intervene on behalf of communities in two different situations, as is discussed in chapters 4 and 6 respectively.

Forum legitimacy becomes more important where the issue of representation is questioned. The authority of NGOs to speak for victims is sometimes questioned (Shivji 2004). This is fuelled by existing "enemy perceptions" that exist between NGOs and corporations (Knorringa and Helmsing 2008). This compels NGOs to limit accountability claims to the promises made by the company (through corporate policy or endorsed standards) to reduce criticism (Fox and Brown 1998) or to focus on active communities, as mentioned above, or to intervene where there

is evidence on criminal conduct such as human rights violations. Active victim communities give more legitimacy to NGOs who claim to represent them than do passive ones. The empirical chapters will illustrate this. Different companies' public releases and written arguments responding to claims by NGOs on the part of victim communities will be provided that show companies' acceptance of NGOs as representatives of communities in some cases. This, as will be argued, contributes to the tendency of NGOs to amplify human rights claims rather than land claims, as local and international law and CSR standards to which these companies are signatories cover the former. However, it must be kept in mind that human rights violations have their roots in land and environmental issues.

2.2.2.3 Investors

Social accountability involves a web of stakeholders with power imbalances between them. Shareholders have become the most powerful stakeholders with whom a corporation establishes accountability relationships. This is partly because their interests are not diverse and have greater weight because they have the ability to impact on a company's profits. Shareholders have also been successful in lobbying for the protection of their rights through hard law (see for example Ireland and Pillay 2010). The case of One World Trust (2008) reveals that, "… many companies have broad economic, environmental and social impacts which impact the public interest. Reconciling the tension between private purpose and public impact is a central challenge for corporate accountability." (Corporate accountability and social accountability are here used interchangeably.) However, it is worth noting that public interest is not necessarily in line with community interests and shareholders' interests might be more aligned to public interests as this is about more profit, which also means more tax. This can lead to pressure being put on a corporation to reduce costs by polluting the environment, for example, and affecting the host community. This can occur because the state defines public interest, although in the Tanzanian case one may not find the definition documented anywhere, as noted by Shivji when commenting on land policy (Shivji 2004). In most cases, the private interests of a well-organized group of investors dominate corporate decisions. This shows how the stakeholder relationship is a power relationship, with the shareholders being the more powerful partner, as Ebrahim and Weis-

band (2007:11) note "… *accountability is about power, in that asymmetries in resources become important in influencing who is able to hold whom to account*" (italics in the original). When faced with a number of stakeholder demands, shareholder demands comes first in corporations' priorities; communities' demands and claims are more likely to be last on the list as long as they conflict with the interests of the most powerful.

Investors are not part of the study but they are discussed where necessary to show that localised social accountability is not a bilateral relationship between corporations and community; rather, it involves other actors. This will be illustrated in chapter 6 where institutional investors intervened by divesting their share, for example. This illustrates that so-called "ethical" investors (those who follow SRI guidelines) are in a position to promote social accountability.

2.2.2.4 Forum legitimacy

Legitimacy is "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Scott 2001, cited in Black 2008: 16). A forum needs to be accepted as a credible entity by the actor whose behaviour it seeks to regulate. This is why accountability is defined as relational, or as Black (2008: 24) puts it, "to be accountable is to agree to subject oneself to relationships of external scrutiny which can have consequences". This is not far from what Bovens (2007:455) asks: "why the actor feels compelled to render account?" His answer is that the relationship that exists between the two (actor and the forum) is what makes this possible. The forum's legitimacy obliges the actor to account for his actions. This also reminds us that accountability is different from state regulation; a state cannot be a forum because it has a mandate to sanction but its functions serves to promote or hinder accountability. When a state has an effective legal system and protects human rights, companies are expected to be more socially accountable for fear of legal sanctions; the consequences become obvious. The forum could gain legitimacy from the contractual agreement or the actor's voluntary promises that may also be in the form of standards that it claims to uphold (Bovens 2007, Fox and Brown 1998), or legalized (in)actions (encoded into law).

From the perspective of institutional theory, legitimacy can be based on pragmatic, normative or cognitive reasoning (Black 2008). Pragmatic

legitimacy is the acceptance of a forum by the actor because of the actor's interests (e.g. financial or reputational) (Black 2008). Normative legitimacy is the acceptance of a forum by an actor as the result of some established social standards (law, ethical and moral theories etc.) (Black 2008). Cognitive legitimacy is the acceptance of a forum because that is the only alternative; or as Black (2008:19) puts it, "based on assumptions that things could not be any other way".

The existence of multiple forums, as mentioned earlier, introduces the issue of power asymmetry that stems from resource asymmetry (Ebrahim and Weisband 2007). Largely, power determines the pragmatic legitimacy of the forum although normatively this may be viewed as illegitimate (Donaldson 1999). Pragmatic legitimacy can function as a push factor for social accountability as economic interests are among the drives of compliance (Black 2008). The sale of Barrick shares by one of its responsible investors is illustrative of how economic interests give more legitimacy to investors. The company promised to change and in its public releases it tried to show that it had changed, as will be illustrated in chapter 6. Legitimacy is both temporal and spatial (Black 2008). As will be illustrated in the empirical chapters, some communities had lost legitimacy over time and despite being host communities, the manner in which the company at regional level differentiated how they treated them was linked to legitimacy, specifically pragmatic legitimacy. Even at the corporate level (headquarters), those companies that have a number of projects worldwide focus more attention on communities that voice their concerns persistently, especially through various forms of violence. This is discussed in chapter 6 and chapter 7: communities whose voicing was not persistent lost the attention of the parent company over time.

2.2.3 Account

To account is to provide information on action or inaction. An actor's obligation to explain and justify his action is among the key elements of the accountability relationship (Bovens 2007). According to Bovens (2007), different aspects are considered when explaining and justifying, depending on the forum. For example, in the case of legal accountability, the courts look at procedural aspects of the account, while in social accountability, the substantive aspect is sought. For relationships to be called accountable there should be a forum; for it to be a forum it should be one at whom the account is targeted and one who can

pose questions (Bovens 2007). This is why CSR reports do not amount to social accountability reports: they are aimed at a specific forum and there is no communicative action between a forum and an actor, only one-way communication. The "significant other" (Bovens 2010: 951) is missing from CSR because the target is the public, and the community is passively represented in these reports. The community has no access to the reports because they are in a language members do not understand and they are only available online.

The section that follows will discuss debate and claims credibility as important factors in an accountability relationship.

2.2.4 Debate and claims credibility

The Merriam-Webster online dictionary defines a claim as saying "(something) is true when some people may say it is not". This introduces the issue of credibility, which is derived from the acceptance of the standards used to lay claims (Grant and Keohane 2005). Standards can be viewed as legitimate by being legal and binding or voluntarily accepted (Bovens 2007). Unfortunately, there are many voluntary standards and this has made it possible for corporations to "pick and mix". This sometimes creates a loophole for manipulation and rejection of community claims. This is possible because non-legal credibility is relational: a forum's claim must be accepted by the actor and in the debate process, a company could apply alternative means to verify whether the claims are credible, especially when the context and nature of the claims allows it do so. It is common for a community to be left with the burden of providing evidence for its claims levelled at a company (Garvey and Newell 2005) when the same could be verified by state regulatory authority. Companies use this opportunity to provide alternative evidence that counters community claims, or to provide evidence that understates the impact of the community claims.

It is worth noting that claims can be regarded as credible even when their truthfulness is questionable. As Ebrahim and Weisband (2007: 10) observe, what matters is "not necessarily the truthfulness" but "consistency". In effect, sanctions and the possibility of facing consequences are the most important elements of accountability (Bovens 2007). There are cases where corporations have been compelled to submit to a forum's demands, independent of the truthfulness of the claims. One ex-

ample that is often cited is the case of Shell and Brent Spar. Shell wanted to dump Brent Spar (huge oil extracting equipment) in the deep sea and Greenpeace (a leading international environmental NGO) opposed this, arguing that it would be harmful to biodiversity. Greenpeace argued that the equipment contained oil residuals that were above the allowable level and that this would harm living organisms in the sea. Shell lost the debate and had to refrain from deep sea dumping. After it became known that Greenpeace had overstated the amount of oil in the equipment and the UK government and Shell became aware that the Greenpeace data were incorrect, Shell was made to submit to Greenpeace's demands despite knowing that the claims were false. This was the result of the support Greenpeace won from Shell's consumers around Europe, who agreed to boycott Shell gas stations. Although Shell knew that dumping Brent Spar in the deep sea was the best option for environmental protection, it decided not to and later sold the equipment to Norway (Yaziji 2004, Fassin 2009, Backer 2007, BBC 1998, cited in Grant and Keohane 2005: 38). What forced Shell to submit was the fact that it began to suffer actual financial loss and faced a threat of even greater loss in the future if it continued to fight Greenpeace.

This was one of several cases where NGOs proved to be manipulative but in many cases, the most powerful actor has more resources to produce evidence in its favour. For this reason, the question of power asymmetry is paramount in debate, as Ebrahim and Weisband (2007:15) note:

> ... Scholars must instead seek to uncover the effects of accountability: how and to what extent its mechanisms and techniques serve to reinforce existing relations of power, or under what circumstances they result in reconfigurations. This is a sceptic's view, and one in which the tools of the trade – disclosure and surveillance, standards and regulation, monitoring and compliance, sanctions and deterrents – are more likely to serve the interests of the powerful than the weak through the control of those very tools and expertise employed to validate them.

What causes communities to fail in defending their claims is their failure to produce scientific evidence, something that corporations use against them (Garvey and Newell 2005). Chapter 5 deals with environmental pollution and provides illustrations of this aspect. For instance, in one instance a company refuted a community's claim on the cause of

community members' skin diseases. In another, a company provided information on air pollution to a community in fear of its health, but failed to mention an important detail. The community lacked the resources to find scientific proof of their claim. It is worth noting that the regulatory authority had no laboratory and had to pay a high price to private companies to use their laboratories.

Table 2.3
Claims and their credibility

Claims	Credibility, pragmatic
Land	Normative (covered by state law or natural justice)
Environment	Scientific, independent verification (no evidence of their being democratic)
Violence (human rights violation)	Pragmatic, normative
Social spending	Pragmatic

Source: Author's compilation

2.2.5 Judgement

Judgement is the decision reached on the claim after communicative actions between the actor and the forum have taken place, although it is not necessary that they reach an agreement. This ends the accountability process but the decision will depend largely on the possibility that the actor will face consequences and this is why it is argued that without a threat of consequences, a relationship cannot be called accountability (Bovens 2007). It would be easy for an actor to say "Yes, I have polluted the environment: so what? I have killed community members. So what?" But knowing that (depending on the judgement) they might face consequences for their actions they would not only take social accountability seriously but would also have the incentive to change their behaviour. As this depends on consequences, the section that follows moves into discussing possible threats to consequences as this might be a more important factor than judgement itself.

2.2.6 Consequences

There are two types of consequence, compensation and sanction as explained below

2.2.6.1 Compensation

When an actor promises the forum a certain action or inaction, the forum needs to have the ability to monitor and impose some form of consequence in case the promise is not fulfilled and the actor is unable explain and justify this convincingly (Bovens 2007). In contrast to previous work on accountability, in the case of gold-mining corporations, compensation in terms of corporate social spending is a form of consequence as they use it to pay the community damages. It is an informal type of consequence, as the law does not require the company to provide these social services; the company will engage in this with full commitment when the community pressures it in various ways, however, including by violent means. This is illustrated in chapter 7: there was a huge difference in social spending on violent communities than relatively passive ones. In addition, the more aggressive communities received written agreements from the company concerned on what, when and how much it would spend on social services, which makes this similar to sanctions although these companies were not required by country law to provide such services.

2.2.6.2 Sanctions

The term sanction is defined by Merriam Webster online dictionary as a mechanism of social control for enforcing a society's standards. The term has a "formal and legal connotation" (Bovens 2010:952). In other words, the court or state regulatory authorities can sanction a company. The sanctions could be potential or actual as the threat of sanctions alone might limit behavioural divergence (Bovens 2010). This is the essence of social accountability: it is a preventive rather than a corrective tool. Since it is only the state and its organs that have a mandate to sanction, social accountability depends on the willingness of the actor to submit to forum demands, not by force but by choice. This is one of the limitations of what social accountability can achieve (Lindberg 2013). As pointed out before, however, it is not the case that there is social accountability or CSR or state regulation; they usually work together. When it comes to the lack of ability to sanction on the part of the forum in this

type of social accountability, one should note that forums might resort to state regulation or the law for intervention. When a company is aware of such a possibility it is likely to feel obliged to establish social accountability relationships with the community. Companies have engaged in social accountability debates with communities through NGOs, despite the fact that these communities do not have sanction powers, because they know there is chance that the community's grievances may take legal or regulatory shape when the state (courts of law, regulators) is invited into the process. This corresponds to the argument that a company's social behaviour is restricted by its operating context (Lindsay 2012).

National contexts influence how a company practises social responsibility (see for example Purdy et al. 2010). For this reason, a company operating in a country with laws that sanction certain practices such as pollution and that has an effective judicial system is expected to avoid conviction by being socially accountable. This is true also for companies whose home countries have stricter laws and those that allow for the filing of extraterritory cases, as do the US and UK. As explained in the discussion of the structure of the industry, when it comes to suing corporations there are choices to be made based on the legal system of a country where the case has been filed. In many cases, however, activists prefer to sue corporations. Saunders (2014) identifies reasons for this choice: (a) corporations have the money to pay for damages when convicted, which is not the case with individuals; (b); if convicted, corporations can change policy to save themselves from the burden of paying damages in future and protect their reputation; and (c) those who commit crimes do not wear name badges and it is thus not easy for victims to identify them: they can, however, identify the company (this is true for human rights violations that amount to criminal cases); (d) courts can order the company to provide the names of those who actually committed the crime and this would relieve the victims of the burden (Saunders 2014). For example, Barrick Gold Corp said it was conducting an investigation into the rape of the North Mara victims although the court had not ordered this; they were in a better position to do this than the victims were. Saunders, however, argues that there are benefits to suing individuals who are in many cases overlooked. She argues that when CEOs are sued they will demand insurance from their companies. Insurance companies will offer insurance policies only when they are sure that the risk is not likely to happen (is not obvious) so they will advise companies on what

to change to minimise the risk of their CEOs being convicted. By so doing they will act as private monitors as they have an interest in the company (Saunders 2014. On the other hand, if CEOs are not insured, suing them would limit their innovation as they would be working in an environment of fear (Saunders 2014).

Filing a lawsuit in a home country is not an easy task, to say nothing of winning the case. Some countries require that a corporate parent be directly involved in order to allow such cases whereas others base their rejection on national sovereignty arguments, questioning the appropriateness of a home country's court as a forum (Ward 2000). However, corporate parents have a reputation to protect and a community or NGO filing a case in a court of law, regardless of whether it wins or loses, may damage this reputation. Ward, mentioning this, observes, "share prices respond even to the threat of liability" (Ward 2000: 464).

Nonetheless, litigation has its costs and limitations when used as a tool by the poor. Firstly, its accessibility is limited as not all victims have the necessary resources such as legal literacy and money to cover the cost (Garvey and Newell 2005). Secondly, one of the externalities of litigation is silencing local activism as, when the matter is in the court of law, victims can no longer confront the corporation. They must wait for the court's decision and often decisions on these cases take a long time. In the process, victims lose hope and interest. Thirdly, it is common for defendants (corporations) to demands that the victims pay all legal costs if the court finds them not guilty (Saunders 2014). Fourthly, victims who file lawsuits have faced intimidation from the state and the corporation (Garvey and Newell 2005).

2.2.6.3 Other forms of consequences

The sanction or threat thereof does not necessarily come from those directly affected by the action, but could come from other forums that have concerns for the victims or their own reputation as associates of the actor. Other possible consequences for the gold-mining company include investors' divestments. Investors' sale of shares as a way of punishing a company is a form of threat or actual consequence that is neither sanction (not legalistic) nor compensation. This could be a threat to the parent company as it suggests that the problems emanate from the corporate structure and not the subsidiary's management. This may have triggered a number of reforms at corporate level.

2.2.7 Accountability as mechanism

Accountability has been studied either as a normative concept or as a mechanism. Bovens (2010) provides a detailed explanation of the two concepts in his article, "Two Concepts of Accountability: Accountability as a Virtue and as a Mechanism". In his explanation, researchers who adopted a normative conceptualisation studied accountability in evaluative types of research, where the aim was to determine whether the subject's (in)action had met certain implicit or explicit standards whether the subject was accountable for the same. These researchers regard accountability as a company-centred dependent variable, where the independent variables are transparency, participation, evaluation and the company's responsiveness to complaints (Bovens 2010 citing Lloyd et al. 2007).

When accountability is conceptualized as a mechanism, the actor-forum relationship is studied (Bovens 2010). Taken as an independent variable, accountability does not necessarily affect the behaviour of the actor (Bovens 2010). Accountability is usually ex post in the sense that the accountability relationship forms after the occurrence of the action/incident. This is different from a normative accountability approach, which assumes the accountability relationship prior to the action/incident (ex-ante). Researchers who take a normative approach aim to describe the accountability deficit, whereas researchers taking the accountability as mechanism route aim to describe accountability overload or any other reason that explains the existing relationship between the actor and the forum (Bovens 2010), and is not just company or community-centred but relational (Kemp et al. 2011).

This study regards accountability as a mechanism and refrains from examining whether the actor's action is acceptable by forum standards or any other acceptable standards; rather, it investigates "whether they are or can be held accountable ex post facto by the accountability forum" (Bovens 2010:948). That is, it uses empirical evidence to establish the existence or nonexistence of an accountability relationship and to find the reason for either of the situations. It does not merely measure whether or not an actor's action is acceptable. The latter is the normative aspect of accountability and describes a desirable behaviour with the focus on exposing unaccountable behaviour, but does not ask why this state of affairs exists. As Bovens (2010: 957) observes, "accountability deficits in this line of research are defined in terms of loopholes in the web of control mechanisms". Ebrahim and Weisband (2007:13) propose

questions such as "who", "to whom", "why", "what for", and "how" rather than ending the research with "specify the agents; identify the principals; enumerate the objectives; define the standards; review the mechanisms; locate the sectors or the policy domains and issue areas", which is what normative accountability researches tend to do.

Focusing on both the accountable entity and the claimant enables this thesis to explore and explain the limitations of accountability as mechanism from the standpoint of both forum and actor. This differs from existing work that has studied accountability from the actor's standpoint only (Bovens 2010, Bovens 2007, Grant and Keohane 2005). Accountability emerges from participation (or delegation), where democracy is the key (Lindberg 2013). While it is hoped that by using this pluralism as base, no one group will always dominate, it is a different story when one uses this social accountability framework. The interaction of corporations and their stakeholders is built around power relationships. Power asymmetry exists: this puts community interests last on the list of company priorities (Garvey and Newell 2005). Shareholders are for example protected by hard law (Ireland and Pillay 2010), which makes their claims superior to those of other stakeholders as corporations fear severe and more obvious sanctions. Compared to shareholders, communities pose fewer threats to companies as they lack the resources necessary to pressure the firm. The law backs few claims; for example, there is no law that prohibits livelihood destabilisation among the youth who work informally on small-scale miners' pits.

Communities thus come to rely on informal pressure that is weaker and more costly, such as violence. Communities use violence as a threat or as an actual sanction. Not all communities can afford this strategy, however, in an environment where the state is on the side of the company and directly involved in suppressing any opposition. As will be seen in the empirical chapters, violence takes the form of trespassing on mine concessions, demonstrations and even physical actions (such as stoning). When the police force becomes involved this can lead to fights with community members.

2.3   Concluding remarks

This chapter has discussed the development of a social accountability framework that is applied in the empirical chapters that deal with land

issues, environmental issues, violence and social spending issues. The chapter showed that social accountability could be a form of accountability that helps shape the behaviour of corporations, but like state regulation and CSR it has its limitations. Factors that hinder the effectiveness of social accountability, as well as factors that promote it, were discussed. Although the discussion has borrowed from existing works on accountability, this chapter's identification of factors within each actor in the localised accountability that are necessary for the success or otherwise of social accountability has ensured that the framework is more suitable for analysing gold-mining corporations' community accountability relationships. The factors are related to the gold-mining company as the actor, and to the community as the forum. The chapter further provides explanations of where and how state regulation and the law can support or hinder this social accountability. It has also explained how a corporate's own CSR policy can be used when social actors demand its accountability and how this can lend legitimacy to third party actors such as NGOs. The social accountability framework has added factors that are gold-mining corporation-specific, including industry structure such as major and junior companies. This introduces a complication to this form of social accountability. The chapter has also explained how the framework introduces compensation as a new form of consequence that is also gold-mining industry specific. The chapter also noted that this form of corporate social regulation will not and cannot replace state centric or corporate self-regulation (CSR) but rather complements them.

The use of this social accountability framework in chapters 4, 5, 6, 7, and 8, which are empirical, will illustrate what happens on the ground. Before turning to these empirical chapters, chapter 3 will provide a discussion of the methodological underpinning of this thesis.

Notes

[1]   http://investingnews.com/daily/resource-investing/precious-metals-investing/gold-investing/barrick-newmont-anglogold-goldcorp-kinross-newcrest/ accessed on 25/9/2015.

3   Case description and methodology

This chapter describes the cases and the methodology. It also provides a general but comprehensive description of actors in localised social accountability relations that sets the stage for a discussion of their interaction in the chapters that follows. In the localised social accountability framework, key actors are the subsidiary companies and the community. Other actors are linked to the two as they influence company responsiveness and community strategies. The sections that follow will describe the two as well as other actors in relation to the framework. The chapter then describes the specific cases before finally moving to the methodology.

3.1   Actors in localised social accountability

This section provides a theoretical description of a subsidiary company and the actors around it.

3.1.1   The company

This thesis focuses on companies that are the subsidiaries of large-scale gold-mining multinationals. Although their corporate parents are based abroad, the communities know these companies and send them their complaints because they operate the mines. This makes them key localised social accountability players. Three companies participated in this study: Geita Gold Mine, North Mara Gold Mine and Bulyanhulu Gold Mine. These are described below in the following section.

3.1.2 The corporate parent

The companies in question are subsidiaries of larger multinationals; the corporate parents. A corporate parent is defined as consisting of "all

managers and staff not assigned to a business unit, including not only the corporate headquarters but also division, group, region, and other intermediate levels of management" (Campbell et al. 1995: 80). The country in which a corporate parent is registered is known as the home country. The home country has regulatory power over a parent company. These parents are usually registered on various stock exchange markets in different countries. This allows these countries to have regulatory power over them as well. Because of legal system variations, various home countries regulate companies differently. For example, the US differs from the UK when it comes to company law (see for example Saunders 2014). As a result of these regulations and other international standards that corporate parents either design or endorse, these corporate parents are regarded as spreaders/propagators of international norms around the world through their business units (Dashwood 2012). The parent's reputation is linked to how its business units behave. Some communities that are more active host business units and are thus more likely to make their grievances public. This places more pressure on the corporate parent. Some corporate parents have been linked to the misconduct of their business units and they have suffered financially or by reputation as a result (as in the case of Shell Nigeria). In such cases, their distance is not a reason for immunity when it comes to their subsidiaries' misconduct. AngloGold Ashanti was linked to its business unit in DRC Congo's allegations that they were financing rebels (Human Rights Watch 2005). It also responded to some of the claims made to its subsidiary Geita Gold Mine, as is explained in more detail in the empirical chapters. Barrick Gold Corp and its regional offices African Barrick Gold were also accused of human rights abuses at their North Mara Gold Mine business unit (see MiningWatch Canada[1]). Linking corporate parents to the misconduct of their business units arises from the fact that these business units do not have full autonomy (Campbell et al. 1995). This might be the reason for the irresponsibility, irresponsiveness or delays in response to community grievances. International players such as activist NGOs and investors can question parents on the misconduct of their business units. Communities often choose to focus on business units as they are local and thus more accessible to them (and they are regarded as the perpetrators of the damage). However, the literature is silent on the details of how these corporate parents spread these norms or their practicality: specifically, on whether they are evenly distributed or with some differ-

entiations. Experience shows that the decision to introduce standards and practices is informed by a business units' encounters. Not all business units pose a threat to a corporate parent's reputation. For the sake of clarity, this thesis uses the generally familiar term "subsidiary company" instead of "business unit" although the terms have the same meaning (see figure 3.1).

Both subsidiaries and their corporate parents are regarded as major companies because of their size. When compared to a junior company, a major is expected to behave more responsibly for at least four reasons: first, a major can suffer reputational risk. It has worked on building its name to investors and customers, who are situated mainly in developed countries. Second, they are more visible are a result of their size, which makes them an easy target for activist NGOs (Hendry 2003). Juniors are expected to have less fear of reputational risk as they are small and hence invisible. Third, owing to its financial capacity the major can afford expenditure that goes with the implementation of international standards, including those on how to interact and co-exist with host communities. Financial incapacity could cause a junior to fail in this (Luning 2012b). Fourth, a major usually invests in a locality and has a relatively long-term goal. The junior, on the other hand, is more likely to operate with short-term goals in gold deposit exploration and to sell of its claims to majors. These features expose the major companies (parents or subsidiaries) to greater pressure to behave responsibly and that is why they are members of and subscribers to a number of international bodies for CSR standards such as the ICMM, whereas juniors are not.

3.1.3 The industry

Gold mining is among those industries that have endorsed or adapted most international standards, conversions and treaties. Scholars argue that fear of stricter international law and regulation is what motivates industries to do this, especially with regard to environmental issues (Vogel 2010). Environmental debates in the international arena, mostly under the UN, are cited as having motivated the establishment of industry wide and company-specific guidelines (McNamara 2009). The most influential conference to date in this regard has been the Rio Earth Summit of 1992, which motivated establishment of the International Council on Mining and Metals (ICMM). This body was established in 2001 to introduce 10 principles of sustainable development as a guide to its members

(McNamara 2009). Under this framework the ICMM requires its members to implement and report publicly on the implementation of the 10 principles (using the Global Reporting Initiative (GRI) Framework), and to apply independent verification of these reports (ICMM. 2003). Corporate parents of the cases in question are key members of ICMM as they were among the largest companies in the industry. While AngloGold Ashanti joined ICMM as a founding member (see ICMM website[2]) and maintained its membership, Barrick Gold Corp withdrew its membership at one point as it disagreed with the idea of the adoptation of these sustainable development principles (Dashwood 2012). It later decided to rejoin the organization in May 2008 because of accusations of malpractice that they had begun to face after expanding their operations in developing countries (Dashwood 2012).

3.1.4 Junior companies

The junior gold mining company is another part of the relationship. These companies have often left out of accountability equation but their legacy of land grievances has included them among the actors in the relationship. Junior gold-mining companies were in many cases the first foreign investors on community land. These were small companies and for this reason they could get away with whatever they liked because their size made them invisible (Hendry 2003). This is unlike the companies in this study, which are "majors" and their corporate parents. As majors in the industry, they fear the loss of reputation and this sometimes triggers their response to community claims. Junior companies on the other hand can ignore community resistances as long as the state provides security. This they often do, sometimes in a manner that amounts to human rights abuse (Banerjee 2011). As will be seen in the empirical chapters, juniors, like corporate parents, are out of the picture where community grievances are concerned. Juniors companies usually have short-term goals, which see them selling their mining claims to larger companies shortly after their establishment. This sometimes leads to misconceptions on the part of communities as to who the real owners of the mine are and they refuse to accept the fact that a company is under new ownership as new owners are inclined to retain most staff. This also complicates the establishment of local social accountability relationships, especially on the issues of land because most claims and complaints are bred during a mine's inception.

3.1.5 The state

The role of the state has proved vital to CSR effectiveness in general. Some states provide incentives for MNCs to comply with CSR (Crane and Matten 2008) while others make it difficult for corporations to behave responsibly (Midttun 2010). The state can be an enabler (Wils and Helmsing 2001) or a hindrance to community initiatives (see chapter 2). The state is usually linked to community complaints of land grabs or environmental pollution. The state owns all land in Tanzania. Citizens are land occupiers. Foreign investors may lease land but only from the state (The URT 1999). For this reason, the state takes land from the community and likewise has the responsibility to ensure fair compensation as the law requires. However, the law allows flexibility in the matter of compensation: it may be in cash or in kind (The URT 2001). In practice, as will be discussed in chapter 4, the money that a company pays for relocation passes through the state to the residents whose land has been taken. Therefore, complaints on delays or inadequate compensation are answerable by the state. The community usually confronts these companies, however, arguably because this is where they see the possibility of extracting accountability; that is, a localised form of accountability.

The state is also responsible for environmental protection. Tanzania has enacted a clear environmental policy and regulations that became operational in 2005. This meant that companies started operations without specific requirements to adhere to specific environmental standards. If they did, it may have been because of international standards to which they subscribed (Interview with NEMC). Currently, the Vice President's Office is responsible for environmental policy issues while the National Environmental Management Council (NEMC) oversees the implementation and monitoring for compliance. The state is supposedly a neutral body in environmental conflicts. The fact that its intervention has rarely been regarded by communities to be in their favour or to be delivering the desired results has made communities distrustful of state regulation (FGDs). The literature reveals that countries depending on natural resources for development are protective of companies' environmental malpractices because of conflicts of interest. These countries, especially those in the South, sometimes go as far as to use intimidation and excessive force to suppress opposition to these investments (Burneo et al. 2008). This conflict of interest arose when mineral-dependent nation states give more power to governmental agencies that are pro-mining

investment than to those that are pro-environmental protection (Oliveira 2002: citing Gamman 1995). A lack of financial and monetary resources meant that it took up to four years for the NEMC to make a round trip visit to monitor mine sites. Part of the reason was also that the NEMC was regulating not only mining companies but also other businesses, including hotels and SMEs all over the country, as well as new investments in oil and gas (interview with NEMC). There were very few NEMC staff with technical knowledge of the mining environment and those few gained their expertise years after the establishment of the NEMC. Even developed countries that are home to these companies are protective of these companies and are purported to deny access to remedy to victims of their companies' foreign operations (Mena et al. 2010, Lindsay 2012).

When communities opt for violence in an effort to resist land and environmental problems, the state, through the police in many cases, protects companies. This disempowers the community (Trebeck 2008) by reducing its chance of getting companies to listen and respond to its claims. This drives the community to risk the choice of using violence (protest, blockades, vandalism and illegal mining) to resists the perceived injustices. It is common practice for companies to seek police assistance when there are riots; however, some companies have decided to use the police as their permanent security guards, with some allowances paid by client companies. Thus it is not surprising to hear that the police benefit from conflicts of long duration (Getz and Oetzel 2010).

The state is thus more directly linked to human rights abuse allegations than companies whose link is in many cases through complicity (Wettstein 2011); this is the same state whose primary duty is to protect the human rights of its citizens (United Nations 2011). This is why the UN Guiding Principles on Business and Human Rights "protect, respect, remedy" framework links and holds companies liable for the states' human rights abuses when they benefited these companies (United Nations 2011, Oetzel et al. 2007).

Moreover, the role of the state in social service delivery makes it an important actor in gold mining's social spending (Trebeck 2008). Experience shows that the states of resource-rich poor countries relieve themselves of the duty of providing these services in areas with large-scale projects, leaving this responsibility to companies without any explicit agreement, incentives or guidance with which to perform this "quasi-governmental role" (Frynas 2005). Tanzania introduced CSR elements to

the mining policy of 2010. The policy gives power to the Minister for Minerals to approve the societal plans of these companies as part of the Mining Development Agreement (MDA). The wording of the Mining Act (2010) Section 10 gives discretionary power to the Minister for Mining as it says he/she "may" include provisions on societal issues of environment, employment etc. Experience shows that these companies have had more autonomy on what, when, how much and where to spend on social services.

The state influences the demand for, the possibility of and the type of gold-mining companies' responses (Trebeck 2008). It is because of these state weaknesses that localised social accountability, where companies are to account directly to communities, becomes important.

3.1.6 The community

A community means a village near the mine or at a distance from it but affected by company externalities. Communities in this research study are those that companies have identified and recognized as their host communities. This company-centric definition has the potential to introduce the problem of exclusion (Kapelus 2002), but the existence of a mutual relationship is a necessary precondition for localised social accountability, as accountability is relational (Bovens 2007).

One important factor for the community is its degree of organization and mobilization (Garvey and Newell 2005, Gross et al. 2002, Wils and Helmsing 2001). Several factors influence this: community associations; networks with third party organizations; the level of decentralization and the role of the state; community leadership and community members' mobility associated with heterogeneity (Rifkin 1986, Garvey and Newell 2005, Wils and Helmsing 2001, Chavis and Wandersman 1990, Petrova and Marinova 2014, Bryceson and Jønsson 2010). These factors were discussed in chapter 2.

3.1.7 NGOs

NGOs are organizations that have a number of different definitions (Edwards and Hulme 2002). NGOs are defined, based on their spatial coverage – local vis a vis international NGOs, Northern vis a vis Southern NGOs; based on their size – big vis a vis small NGOs; based on

their task – developmental NGOs, environmental NGOs, human rights NGOs; based on their strategy – engagers vis a vis confronters (Åhlström and Sjöström 2005) also known as collaborative and confrontational NGOs respectively (van Huijstee 2010); based on their affiliation – faith-based NGOs, governmental NGOs (GONGO) and many more. The point to note is that one NGO can usually fall into more than one category. For instance, it could be both a local environmental NGO (a mix of spacial and task categorization). This thesis uses two categories: activist NGOs and social service delivery NGOs. Some classifications above also describe these two categories.

According to Edwards and Hulme (2002), activist NGOs (also called confrontational NGOs) distance themselves from a target they wish to influence. Their strategy involves influencing a firm indirectly by using shareholder resolution, negative publications, name and shame tactics, negative campaigns and litigation among others. Such NGOs believe in radical changes and that is why they apply radical approaches, which has led to them being known as "abolitionist" (Edwards and Hulme 2002).

On the other hand, service delivery NGOs that mostly use partnership strategies have in many cases no intention of changing their target or partner company (Edwards and Hulme 2002). Those who engage with changing corporate behaviour believe in incremental changes and work closely with the target company to institute the desired changes (Edwards and Hulme 2002). Generally, both activist and service delivery NGOs claim to be serving the disadvantaged in society through changing power structures, but they differ in the strategies they use to do this. The former focuses on changing the company and the latter on changing the community.

Some of the NGOs that participated in this study were local and others international. By local, the researcher means NGOs operating within the country but not necessarily with offices in these communities. They are based mostly in large cities. International NGOs are those that operate in more than one country and are usually (not always) based in the North (Edwards and Hulme 2002). Some of these international NGOs do not operate directly in the developing countries but they collaborate with local NGOs to deliver local operations. This study focuses on NGOs that fall under multiple categorizations but the major distinctive factor that guided their selection was their functions with regard to mining companies' localised social accountability, i.e. social service vs activ-

ists. It is also important to note is that these NGOs were those external to the affected or beneficiary communities.

NGOs with different ideologies are involved in the interaction between gold-mining companies and the host communities. Activist NGOs will work to amplify community grievances and demands, while service delivery NGOs work with companies as partners in delivering social services to the community. There is much debate on the influence of the NGO's role. Some believe that partnership is desirable while others point to the challenges arising from different values (Battisti 2009, Thibault and Babiak 2009, Zammit 2003, Millar et al. 2004, Seitanidi and Crane 2009, Seitanidi 2009, Baur and Palazzo 2011, Jamali and Keshishian 2009).

Communities with links to external actors such as NGOs can be assisted in acquiring community management skills (Wils and Helmsing 2001). These organizations usually help communities to articulate community grievances and to mobilize individuals for the collective interest (Wils and Helmsing 2001). They also amplify community grievances outside the community boundaries, including in the international community (Keck and Sikkink 1998). Moreover, some of these organizations are in a better position to use other sophisticated strategies that are not accessible to many communities such as sanctions in the form of litigation (Garvey and Newell 2005). Their links help in the creation of environments where companies see the possibility of facing the consequences of their actions (Bovens 2007).

Table 3.1
NGO typologies and their characteristics

NGO type	Activists	Service delivery
Strategy	Distance from company Name and shame Litigation	Closer to company Partnerships Consultancy/advice
Issue	Surrounded with tension (conflictual)	Not surrounded with tension (non-conflictual)

Source: Compiled by the author

3.1.8 Investors

Investors are also important actors if the community is to realize local-ised social accountability (Guay et al. 2004, Friedman and Miles 2001). Most investors' interests have commonalities with those of the state; they are also interested in company financial performance, which means more production and with it more pollution. In recent years, however, socially responsible investment (SRI) has emerged (Sparkes and Cowton 2004). SRI is a form of investment "that takes account of 'people' and the 'planet'" (Sievänen et al. 2013: 139 citing Boatright 1999). Investors using SRI guidelines consider not only financial viability but also the so-cial and environmental performance of companies when making invest-ment decisions. As Guay et al. (2004: 126) explain, it "is an investment approach that uses both financial and non-financial criteria to determine which assets to purchase, but whose distinguishing characteristic is the latter". As a result, these investors have some influence on companies' response to community concerns, including environmental issues, as they engage in shareholder activism (David et al. 2007). As economic stakeholders, their concerns are more urgent because they possess more power and legitimacy than the community or NGOs acting alone (David et al. 2007, Mitchell et al. 1997). The stock of shares they own is signifi-cant when these are institutional investors. Their stock makes them prin-cipals in a principal agency relationship with company executives as agencies (Guay et al. 2004). In the principal agency relationship, compa-ny executives have to adhere to the interests of these owners on whose behalf they do business (Guay et al. 2004).

In the mining industry, institutional investors such as pension funds are very powerful and more legitimate in this regard. Managers cannot ignore demands from these investors (Sparkes and Cowton 2004). NGOs have also used this opportunity to influence companies indirectly by influencing these investors because, unlike principals, they do not have power over companies (Guay et al. 2004). Recent years have seen this type of investor choosing where to invest based on SRI guidelines (Sievänen et al. 2013). Although this influences company response to environmental claims (and other social concerns) positively, it is still a whether these translate into real changes in company behaviour (David et al. 2007). David et al. note that the response of companies who en-counter shareholder proposals are of two kinds, divergence of resources to defend themselves from the pressure instead of solving the target is-

sue, or reaching a settlement with "salient stakeholders" (Mitchell 1997, cited in David et al. 2007:97). They have not necessarily made substantive changes to those practices that were responsible for the allegations and claims in the first place (David et al. 2007). The section that follows turns to communities as the key forum in localised social accountability.

Recently SRI has also attracted criticism. One such criticism is of their being trustees and deciding for a number of individuals who are the beneficiaries and who might not be interested in social or environmental responsibility; another is of their impartiality (Richardson 2011, Richardson 2008). For instance, Richardson raises the issue of the "unseen polluter": financial institutions that finance the investments and thus raise the question of whether the company alone should be punished (Richardson 2008). If their decisions and judgements amount to appraisal (Bovens 2010), the issue of whether or not other similar companies were assessed in the same way raises concerns for their impartiality as well as the impact of this as a strategy for making the gold-mining industry as a whole environmentally and socially accountable.

Other investors who are involved with land issues are insurers and financiers such as the Multilateral Investment Guarantee Agency (MIGA) and the International Finance Corporation (IFC) of the World Bank. The former offers political insurance whereas the latter offers loans to these types of foreign investments. Their links to these investments put them at reputational and financial risk as well. As a result, the World Bank group, for example, has its own policy to guide its clients' conduct on human rights and environmental aspects and recently on land acquisition (MIGA IFC and CAO 2013, IFC. 2012, The World Bank 2001 (revised in 2013)). In this way, they act as private regulators and monitors (Saunders 2014) of these investments, specifically during their inception in order to decide whether to get involved as insurers or as lenders. On behalf of host communities, NGOs take this opportunity to "bring the Bank in" during their struggle to pressurize localised social accountability on land grievances (Fox and Brown 1998).

3.1.9 Local government

Degrees of centralization and decentralization also have an effect on the workability of localised social accountability, as discussed in chapter 2. Local government officials in Tanzania are often not effective in solv-

ing conflicts between companies and communities, especially those centred on land grievances, because of their limited authority. When it comes to foreign investments, as provided for in the Village Land Act and its regulations, central governments retain decision-making powers (Isaksson and Sigte nod). In the course of this thesis the researcher touches on the roles of different levels of government in community company interaction in an attempt to determine what local government is doing or not doing and why.

Against this backdrop, the section that follows will describe three cases: the three subsidiary companies and their host communities. Investors and community representatives are discussed when presenting findings but the NGOs in question, important actors in this situation, will be described here after the description of the cases.

Map 3.1
The three mining companies and communities

3.2   Why these cases?

When conducting multiple case studies, Yin (2003) argues that case selections should rest on the possibility that these cases will produce similar or contrasting but predictable results. In this study, the researcher was

familiar with the selected cases and knew that they had some similarities on issues of interaction, while one was a rather different case. This knowledge came from initial information that the researcher gathered from various media sources. The decision was made regardless of the willingness of companies to participate, which was risk because the researcher faced some difficulties persuading companies to cooperate and there was no possibility of replacing these as they were the only cases that had been operating in Tanzania for a long enough period to establish their interaction with the community.

Communities were automatically selected as they were the communities nearest to the chosen mine and their accessibility was never considered a problem, and this proved to be true during field data collection. The choice of which community to include differed from company to company. In the case of Geita Gold Mine, the selection was made using the snowball technique, where stories told by one community led to the choice of the next community to be included. The entry point was Ihayabuyaga, which was Geita town. After focus group discussions and interviews Katoma, Nungwe and Sophiatown were included in the study. Katoma was to be relocated and had some complaints about this, Nungwe had used violence to resist the company and Sophiatown residents had been living in tents for a number of years because forced evictions had been made to pave the way for an extension of company operations. These issues meant that these communities could provide rich information on how companies interacted with the communities. In the case of Bulyanhulu community, it was easier to choose villages involved in the study because the company interacted with a small number of villages. The researcher chose Kakola and Bugarama based on reports from various sources on their interaction with the company, and added Kijijinambatisa after gathering information from initial interviews. As the researcher wanted to know the how and why of the interaction (not the extent), this purposeful selection was not expected to be problematic. Involving a community that did not have enough issues with the company would not have provided the necessary information.

3.3   Description of the cases

This section describes the cases in this study; the gold-mining companies and gold-mining communities. It also describes other actors who were involved in the study, namely NGOs and state regulatory authorities.

3.3.1   Geita Gold Mine

Geita Gold Mine is a subsidiary of AngloGold Ashanti. It opened in 2000 as a joint venture between AngloGold (a South African company) and Ashanti (a Ghanaian state-owned company) and came under the full ownership of AngloGold Ashanti in 2004. This company is located in Geita in north eastern Tanzania.

AngloGold Ashanti is among the three largest gold-mining companies in the industry. It is a South African company but it also has stakeholders in developed countries as it trades its shares in leading stock exchange markets. It also has subsidiaries in other countries, including Australia and South America. This makes it prone to reputational risk just like any other large company whose home country is in the west. For example, it has been a target of human rights NGOs accusing it of funding a rebel group in the DRC (Human Rights Watch 2005). Similarly, one report on environmental pollution at Geita by a Norwegian student attracted the attention of Norwegian Pension Fund's stakeholders, specifically the Norwegian Church Aid, an issue that compelled it to respond to local concerns. This fund is among key institutional investors.

3.3.2   North Mara Gold Mine

North Mara has been a subsidiary of Barrick Gold Corp since 2006. It was opened in 2002 under the ownership of Africa Mashariki Gold Mine, which later sold it to Placer Dome. Barrick Gold Corp has its headquarters in Canada and is currently a leading company in the industry in terms of size. Africa Mashariki was a junior company, unlike Placer Dome and Barrick Gold Corp that a major companies.

Most grievances, especially those based on land issues, began during the mine's inception. This linked Africa Mashariki Gold Mine directly to these conflicts, as is made clear in the empirical chapters. These grievances focused mainly on issues of village land acquisition. Placer Dome began to respond to some of the community's demands before Barrick

took over. Most land conflicts began under the first owner, Africa Mashariki Gold Mine. As is the case with many other companies of its size (juniors), Africa Mashariki Gold Mine had not operated the mine long before it decided to sell its claims to Placer Dome, a major. Subsequently, Barrick acquired Placer Dome, and all its subsidiary companies, including North Mara, came under Barrick's ownership. Placer Dome and then Barrick experienced increased pressure to show their stakeholders that they had behaved responsibly because they had a reputation to protect.

The current owner, Barrick Gold Corp, changed its structure and introduced a regional office named African Barrick Gold around 2012. This regional office has its headquarters in Dar es Salaam in Tanzania. Local NGOs viewed this move with suspicion as they thought that the company wanted to detach from the mine because of alleged human rights scandals (interview with LHRC). The company once again changed this regional office's name, this time to Acacia, in 2014, causing an activist law firm that was suing it in the UK courts for accusations of human rights violations to announce that they would continue suing it regardless of the name change (Wa Simbeye 2014). This suggests that the lawyers were suspicious of the company's decision to change its name in the midst of court hearings.

3.3.3 Bulyanhulu Gold Mine

Bulyanhulu Gold Mine is another subsidiary of Barrick and falls thus under Acacia, the regional offices. It was established on 5 August 1994 under the Sutton resources ownership and was bought by Barrick in 1999. It opened in 2001. Like North Mara, its first owner was a junior called Sutton Resources of Australia. This company had issues to do with land and human rights that arose during inception. Although Barrick was not the owner when these grievances first emerged, as a large and visible company it became the centre of attention for activists who mobilized and organized community members such as artisans and small-scale miners (ASM).

As they were under same corporate parent, the North Mara and Bulyanhulu Gold Mines added to the richness of data from cross-case comparative analysis by exploring variability in a single corporate parent. This enabled the researcher to build an argument on the role of corporate

parents in subsidiaries' decisions in general (Campbell et al. 1995) and in issues of community land, environmental conflicts, violence and social spending in particular. This also helped to establish whether they had influence or not on the subsidiary's decision to establish localised social accountability relationships with the community. The similarities/differences between the two could also reveal whether a corporate parent had spread international norms evenly (Dashwood 2012).

3.3.4 Geita Gold Mine community

Geita Gold Mine recognises 15 villages as host communities. These villages surround the company. Three of these 15 villages were selected for this study. Some residents from a village that had been demolished by the company were also interviewed, which to all intents and purposes means that four villages were included in the study. These four villages were chosen because of their record of conflict with the company or in their vicinity. These villages were Ihayabuyaga, Katoma, Nungwe and Sophiatown (which is the name given to the place where residents from the demolished village were living). Ihayabuyaga was chosen because it was the centre of Geita district (now upgraded to Geita region) and among those villages that were very close to the mine's site. The second village, Katoma, was chosen using the snowball approach, where the researcher was informed that it could provide rich data on the topic because it was on the company's relocation plan. Similarly, Nungwe was chosen because it became clear from both company and community interviews that this village had violently resisted the company on a number of claims. This village was the furthest of the four from the mine at about 25 kilometres from the company premises and the township. However, the company had its two huge pumps to pump the water they used for processing from Lake Victoria in this village.

Although it is not easy to access actual data because of difficulties with statistics, like other areas with mining activities, Geita has some of the highest in-migration figures in Tanzania. This can be linked to the opening of a large-scale mining project but also to the fact that this is an area where small-scale and artisan miners have operated for many years. The rediscovery[3] of large gold deposits and the opening of large-scale mining investments attracted further in-migrants. They moved into the area with various aims, including employment with the company, engaging in small-scale mining and running small businesses.

Despite the fact that most of the company's employees were Tanzanians, people from other parts of Tanzania filled the majority of the white-collar positions; locals largely had low skilled jobs (personal interviews and FGDs). Tanzania's has a tradition of not discriminating against citizens based on their ethnicity. This tradition started and grew during socialism, when public servants were posted to work in regions that they were not originally from in order to force citizens to mix with others and to prevent tribalism. Up until now any complaint framed in the language of "us vs them" and based on tribalism is considered taboo. It is common to find that anyone trying to raise this sort of argument is silenced by the counterargument of the good example set by the first president in uniting the country. For this reason, it is impractical to target only those who have suffered the negative effects of a project as any improvement made to a locality will attract in-migrants as free movement is enshrined not only in the constitution but also in the everyday tradition of non-discrimination. This includes company vacancies: there is competition for these from all over the country.

Based on data from the company, the researcher estimated that at least 2000 in-migrants had moved to Geita as mine employees. Geita Gold Mine, unlike the other two companies (North Mara and Bulyanhulu), does not have staff quarters. There are approximately 100 staff houses inside the concession, intended for a few expatriates.

Most residents in the selected villages were engaged in non-agricultural activities, as in many townships in Tanzania. Most residents were small-scale miners, company employees or casual workers, or engaged in informal small businesses. Residents of Nungwe, which was a more rural village, worked mainly in farming and fishing.

3.3.5 North Mara Gold Mine community

North Mara Gold Mine identifies seven villages as its host communities. The choice was made, based on impact and vicinity. Information from the company revealed that five villages were included as they had a long history of conflict with the various owners. The remaining two were included owing to their vicinity (interview with Community Relations Manager North Mara Gold Mine). This thesis focuses on three villages falling into the categories of affected communities and vicinity. These are Nyamwaga, Kewanja and Nyangoto.

It appears that North Mara had a lower level of in-migration because the majority of the residents were Kuria, related to three major clans, the Waireje, Wanyamongo and Wanyabasi clans. These clans formed one tribe, the Kuria. One could say that North Mara was a closed society (interviews and FGDs). Some young men had arrived from neighbouring localities to collect waste but they did not live there permanently. The relative homogeneity of this community made it easy for individuals to organize and mobilize their actions in response to perceived company injustices.

The rate of in-migration was low also because the Tarime District (where North Mara is situated) was underdeveloped. This is arguably because the state decided to abandon the district after its refusal to obey the order to relocate to *Ujamaa* villages like others in other parts of Tanzania (Goldstuck and Hughes 2010). The *Ujamaa* village was a socialist policy to move people to the newly established villages so that the government could provide for social services. In the end, this policy was unsuccessful but Kuria refused this *villagization* policy from the start.

Although areas with large-scale mining projects have higher in-migration rates because of attracting company employees (Petrova and Marinova 2014), as we have seen in the case of Geita, North Mara is different. The company has a fly-in, fly-out employment arrangement and recruits its entire staff from outside the community (with very few exceptions, including the current community relations manager). These company employees are required to stay inside the company fence under tight security and may not mix with the community for reasons of their own safety (Interviews – identity withheld). This may have helped the community to maintain its homogeneity, on the one hand. On the other hand, as widely reported during FGDs, the community complained that they were excluded even from jobs that did not require advanced skills, such as drivers. The reason for this is mistrust; the company regards locals as a threat who if employed, could collude with illegal miners and leak information on the location of high-grade ore (Interviews – source withheld). Because of the trespass law, many groups who were interviewed complained that they had had their photographs taken by police against their will and that they had been blacklisted in the sense that the company would never employ them. The majority were regarded as criminals. They accused the police of using them to justify their importance as company guards and from time to time, they even engi-

neered conflicts by raiding community residents' houses and searching for illegal miners. The police would take photographs of those they caught. These frequent violent conflicts might also have put other Tanzania off living in North Mara because the place was not safe. The researcher was advised by a respondent from company regional headquarters not to visit the area. This warning made her more careful and she sought a second opinion from people in Dar es Salaam who were originally from the area. One assured her that if she spent only a day there would be no trouble. In other words, he confirmed the dangerous nature of the place. She did witness some fights between illegal miners and police during the few day visits she made there, as will be explained in chapter 6.

North Mara has had long links with NGOs such as LEAT and LHRC. There is also an NGO called Search for Common Ground that specialises in finding solutions in conflict areas and this was working to reconcile conflicts between the company and community at the time of the study. Although this NGO was working with the community, the company had invited it, and had more links with it than the community, who did not believe that it was acting independently of the company (FGDs). This community's grievances on land and environmental problems, their resistance and the company's response, including that of the state via police, received more media coverage and political attention than Bulyanhulu and Geita Gold mine communities' grievances.

3.3.6 Bulyanhulu Gold Mine community

Bulyanhulu has a relatively higher in-migration rate owing to small-scale mining and large-scale mining investment. An interview with the Community Relations Superintendent revealed that approximately 800 employees were living in Kakola village with other residents who were not employed by the company. Similarly, group discussions revealed that the company largely recruited skilled staff from outside Bulyahnulu (FGDs Bugarama 1). Low-skilled employees came from nearby villages and included anyone from the village, even newly arrived in-migrants. This accounts for some of residents, especially the youth, reporting job seeking as their reason for their moving to Bulyanhulu. The only employer was the company (or its sub-contractors) and many of them were still jobless. There were also people from as far away as Rwanda, Kenya and Burundi doing business in the village (FGD Bugarama 1). One group discussion

revealed that there was no region in Tanzania that was not represented there (FGD Bugarama1). Tanzania has more than 24 regions and each belongs to a certain ethnic group (although many townships and cities have mixed ethnicities). The negative effect of high levels of in- and out-migration is the erosion of social capital and we shall see that this community was very active in lobbying for localised social accountability during the inception of Bulyanhulu Gold mine (by then it was called Kahama Gold Mine). With time this activism, based initially on solidarity and driven especially by small-scale miners, decreased. Although by then small-scale miners were not from one ethnic group only, they had a common interest, to protect their income, and they were well organized. Their dismantling by the arrival of a large-scale project made the community relatively passive. This could have made most of the Bulyanhulu villages "risk free", a translation of the views of one Community Relations Manager of one of the Barrick projects (not covered in the study) who described how Barrick set priorities in terms of social spending.

The North Mara community was a more active community, better mobilized and organized than others because of its characteristic features. North Mara had lower levels of in-migration, which made it more homogeneous. North Mara had higher levels of social capital and was therefore more active. Bulyanhulu and Geita communities were relatively passive as they had higher levels of in-migration and/or out-migration that resulted in tribal heterogeneity and low levels of social capital. Community management skills in terms of organization and mobilization are important factor in community's ability to take action (Wils and Helmsing 2001).

3.4   Other respondents

The thesis interviewed senior officials from selected NGOs and the state environmental and social regulatory authority, the National Environmental Management Council (NEMC). These are described below.

3.4.1 Lawyers' Environmental Action Team (LEAT)

Lawyers' Environmental Action Team (LEAT) was the first public interest environmental law organization in Tanzania. It was established in 1994 with a mission to ensure sound natural resource management and environmental protection in Tanzania. According to LEAT, their activi-

ties include carrying out policy research, advocacy, and selected public interest litigation. Its members are mostly lawyers concerned with environmental management and democratic governance (LEAT. 2011). LEAT was included in this study because it had worked with North Mara community in helping to extract localised social accountability from the mine, using strategies such as litigation and publications. They were also involved in Bulyanhulu's struggles when the mine opened, which enabled small-scale miners to file complaints to the World Bank's ombudsman (the CAO).

3.4.2 Legal and Human Rights Centre (LHRC)

The Legal and Human Rights Centre (LHRC) is a Tanzanian NGO dealing with the issue of human rights violations as they affect various groups of individuals including women, youth, children and the poor (LHRC website [4]). Its human rights monitoring unit collects information on human rights violations, and uses this as evidence when filing cases (Interviews). According to the LHRC, information they collect is "used to pursue remedies in Court and/or is channelled to respective government authorities for appropriate administrative measures." In addition, this information is "recorded by the Centre and later [on] used for advocacy activities to support positive reforms of law, policy, practice, and are published in its annual Human Rights Report" (LHRC website[5]).

The researcher selected LHRC for this study as it was among the NGOs that had been active in monitoring the environmental and human rights behaviour of gold-mining MNCs. The LHRC had confronted African Barrick Gold or its subsidiaries, using tactics ranging from publications to litigation. It had published extensively on allegations made against African Barrick Gold and AngloGold Ashanti of human rights abuse in general and environmental pollution in particular. Its focus has long been on the impact this pollution has had on community livelihood and health. For example, in one instance of an allegation of water pollution made against North Mara Gold Mine this centre was at the forefront in collecting evidence that was used for advocacy and litigation purposes. The NGO also works with their international networks, making it possible that the victims of these companies can have access to the judicial systems of developed countries. Through its yearly reports and regular television programmes, it has publicised the malpractices of many

companies in the extractive industry, including the companies in question.

3.4.3 African Medical and Research Foundation (AMREF)

The African Medical and Research Foundation (AMREF) is an international African NGO with headquarters in Nairobi, Kenya. Its mission is "to ensure that every African can enjoy the right to good health by helping to create a vibrant network of informed communities that work with empowered health care providers in strong health systems". It was founded in 1957. It has operations in more than 30 countries in Africa, including Tanzania. AMREF shares the belief that health is a basic human right and "seeks to empower communities to take control of their health and to establish a vibrant and participatory health care system made up of communities, health workers and governments" (AMREF. 2007).

AMREF engages the corporate sector in achieving its aims. This is achieved through "developing and or creating partnerships that address specific problems confronting health, partnerships that seek to mobilize support for AMREF's programs, and partnerships that seek to leverage the assets of the specific company to advance the cause of a healthier Africa" (AMREF. 2007). On its website, AMREF states that it "will always seek to work in partnerships that ensure that the company's corporate social responsibility objectives and marketing needs are met while at the same time addressing the pressing needs of communities". According to AMREF, corporations can support their work in many ways including direct financial support. AMREF collaborates with the world's top corporations in "mutually beneficial strategic initiatives". The foundation also states that its partners have demonstrated a deep commitment to social responsibility and the core values of these partners fit in with AMREF's programmes, advocacy and fund-raising (AMREF. 2007).

This research studied AMREF Tanzania's partnership with Geita Gold Mine and African Barrick Gold (now Acacia) to explore the impact on the community of localised social accountability and the company's responsiveness.

3.4.4 CARE

CARE is an NGO with headquarters in the USA. It has country offices in Tanzania, in Dar es Salaam. It is an organization that deals with a number of operations in the area of social services. CARE International Tanzania entered into a six-year partnership with Acacia in 2001, with the aim of improving the quality of education in the community near Bulyanhulu Gold Mine. As in the case of AMREF, the company financed the project. The thesis will determine the influence of this partnership on localised social accountability.

3.5   Methodology

Research methodology refers to the theoretical and practical aspects of research (Oliver 2004). It entails all the procedures and processes that a researcher undergoes in answering the research questions. As explained in previous sections, this study used a multiple case study approach. It is a qualitative study, applying multiple methods and sources of data collection, including in-depth interviews, focus group discussions and documentary reviews as well as internet sources (companies' CSR reports and NGOs' online reports).

3.5.1 Critical realism approach to the study of the three cases

As mentioned in the introductory chapter, this thesis follows a critical realism approach. According to Bhaskar, a critical realist sees truth as found in layers of the empirical, actual and the real (cited in Easton 2010). The empirical constitutes observable events. They can also be described as outcomes (Easton 2010). Critical realists strive to reach the actual level through studying these events so as to explain what causes the ordering of these events; the reality (Easton 2010). In many cases researchers do not observe these events but get descriptions of them from those who have experienced/observed them (Easton 2010). Events that occur in sequence, one following the other, cannot be the real: the real exists independent of these events (Sayer 1992 cited in Easton 2010). For critical realists then, the mechanisms "that produce and reproduce the ordering of events and social institutions" are of importance (Easton 2010: 120). This is the reality that researchers strive to reveal.

Because critical realists strive to answer the "why" question they place importance on the use of theory, with an emphasis on the contextualization (Kwan and Tsang 2001). They make use of the case study approach (Easton 2010). Theories help researchers to understand and explain generative mechanisms. Case studies allow the use of different methods of data collection and triangulation (Yin 2003), which enables the researcher to answer the why question. The contextualization of a theory is achieved through retroduction. This "involves moving from a conception of some phenomenon of interest to a conception of a different kind of thing (power, mechanism) that could have generated the given phenomenon" (Easton 2010: 123 quoting Lawson 1997)

Furthermore, critical realism argues that researchers cannot distance themselves from the subject of the research. For this reason, findings are not value free but awareness of this helps to minimize bias (Kwan and Tsang 2001). This means that the positivist's argument for objective truth, as achieved from distancing the researcher from the object of the research, is naive. In fact, being closer but aware of the risk strengthens the chance of arriving at the real (Marshall and Rossman 2011). As this kind of research is interpretive, and the fact that research is likely to be value laden, I examined my own position, which means my exploration of possible interactions "of power, status, social identity, and cultural difference" (Marshall and Rossman 2011:50). This is demonstrated in section 3.6.6 below. This helps the stakeholders of this research to find answers to the more likely questions such as the agenda of this research and or the researcher. These are questions in research topics that are linked to existing political debates (Marshall and Rossman 2011).

Epistemologically, critical realisms focus on digging deeper to discover the real. As mentioned above, observable events are not enough. Those who have observed them might have different narratives about the same event or phenomenon. As there is one reality whenever there is divergence in these stories, a researcher who follows critical realisms will engage in further data gathering in order to establish which narrative is, or is closer to, the real. This includes gaining perspectives from different sources to increase internal validity (Dubois and Gibbert 2010 citing Yin 1994). This also justifies the decision to apply triangulation (Yin 2003). Critical realists acknowledge the role of context but they see the possibility of extending the lessons from one context to another with a similar situation. This is what signifies the role of theory in research (Dubois

and Gibbert 2010). In case studies, this theoretical generalization is called replication (Yin 2003).

As demonstrated above, critical realism is in agreement with the positivist idea that there is only one reality, existing independent of the research. It also agrees with positivists on the generalizability of findings. On the other hand, critical realism rejects the view that observable causal effect events are enough explanation of the real. It also rejects the positivist belief that distancing researchers from the object of the research is necessary and essential in reaching objective truth.

Critical realism borrows the view that truth is a social construction from constructionists: that "the world of human perception is not real in an absolute sense … but is 'made up' and shaped by cultural and linguistic constructs" (Patton 2002: 96). They study "multiple realities constructed by people and the implications of those constructions for their lives and interactions with others" (Patton 2002: 96). However, critical realism rejects constructionist views that researchers should not make judgements about data, even where there are divergences, and should consider all responses as true at face value (relativism). In their application of techniques such as triangulation, critical realists differ from constructionists. For constructionists, divergence should not be harmonized but should be taken as a rich description of phenomena (Patton 2002). Critical realism is also critical of another constructionist view that is closer to the previous one, that is, that research findings cannot be generalized. Similarly, by acknowledging the usefulness of theory in research, critical realists differ from constructionists who reject this because of their belief in relativism and context specificity.

Following critical realism, this thesis developed an analytical framework (localised social accountability) in chapter 2, which enables the researcher to capture the generative mechanism beneath observable company and community observable behaviours. This madeIt it was important not to take responses at face value but to triangulate with the literature and sometimes deconstruct responses in order to arrive at the truth, especially where there were divergences. This is because on theIn the case of contentious topics like such as thisthis on the interaction between company and community, respondents may have reasons to misreport some of the realities when they know that this would be advantageous to them, as the truth could work against them. These rReasons for this could include reputational risks for to a a company's reputation, or

fewer social benefits or other compensation from the company or the state while for a community they might be the fear of fewer social benefits and other compensation from the company or the state. Constructionists do not allow this: for them there are multiple truths. Similarly, positivists believe that observable behaviour is enough to arrive at the reality.

Case-study design (Yin 2003) suits this approach as it is a design that allows the use of multiple data sources and triangulation, as will be discussed below. This thesis applied a multiple cases approach (Yin 2003). Case study methods have become an important approach because it allows in-depth study of phenomena (Easton 2010). It enables the researcher to answer the questions "how" and "why", which entails the processes and their explanation. Thus, the case study approach is suitable for researchers who follow critical realism ontology.

3.5.2 Methods of data collection

This thesis applied multiple cases, multiple data collection methods and sources as explained below. The researcher used multiple sources of data not only that they complemented each other but also for triangulation purposes (Yin 2003) as the object of the study (interaction) was surrounded by tension. Multiple data sources increase internal validity. This is necessary for any study that tries to make causal claims (explanatory study) (Yin 2003). The thesis used focus group discussions, individual in-depth qualitative interviews, key informants, document reviews and observation, as explained in the following sections

3.5.2.1 Focus group discussions

The focus group discussion (FGD) is a type of interview that is administered to groups of interviewees (Rubin and Rubin 2012). In this study, these were also in-depth as the researcher was interested in detailed and rich answers (not yes/no answers) so the questions were open-ended and guided by the list of interview questions (Rubin and Rubin 2012). The questions were semi-structured in the sense that the researcher had prepared a list of questions in advance in order to conduct focus group discussions across all groups and villages across the three cases (Rubin and Rubin 2012). Follow-up questions were phrased on the spot when emergent topics occurred during FGD (Rubin and Rubin 2012).

This type of interview was used to interview communities (villages) of the three companies. The researcher tried to keep to between six and 10 members in each group as this is the ideal number (Patton 2002). When a group is too big or too small it becomes difficult to encourage all members to participate. The purpose of optimizing the number of respondents (Patton 2002) would not be achieved. The strength of FGD lies in gathering opinions and responses from many people in the same time as it would take to interview one person (Patton 2002). Another advantage of FGD is its ability to monitor the validity of the responses. In FGD, responses are debated and agreed among members before being taken as final answers. This is possible because the interviewer acts as a moderator of the discussion, assessing whether or not the majority agrees with the information provided by a member, an aspect that Patton (2002: 386 citing Krueger and Casey 2000) calls checks and balances. This helps to identify and reject "false or extreme views" when doing data analysis (Patton 2002: 386). In this way, FGDs also perform data triangulation (within each group and across groups). The saturation point determined the number of focus groups in each community. This is a point when an additional group does not add any new information.

FGDs were conducted in 10 villages, four were from Geita Gold Mine, three from North Mara (North Mara Gold Mine) and another three from Bulyanhulu Gold Mine (see appendix 1 for details). These were Ihayabuyaga, Katoma Sofia Town and Nungwe for Geita Gold Mine; Nyamwaga, Kewanja and Nyangoto for North Mara Gold Mine; and Bugarama, Kakola and Kijijinambatisa for Bulyanhulu Gold Mine.

All FGDs were recorded and then transcribed. This allowed the researcher to retain a clear idea of what had transpired (context). This also helped with ongoing analysis as a qualitative researcher's analysis begins during data collection. This was possible because she conducted a maximum of two group interviews per day, providing for a long enough break between interviews. The context was important for interpretative research that necessitates quick transcription (Yin 2003). In so doing, the researcher was able to identify key issues/topics that needed further triangulation when conducting the next FGD and individual interviews with community leaders and companies. This was done with caution, though, as the researcher was aware of the dangers of falling into the "leading questions" bias trap; while one is trying to triangulate previous responses one mentions views of previous groups. In order to minimize

this danger, triangulation was conducted at the end of each discussion to ensure that the group discussion did not touch on what was to be triangulated before a question was posed. Respondents were encouraged to provide detailed answers that helped to determine whether a phenomenon was real. She was also aware of selective listening as previous groups had answered similar questions. The tape recorder helped limit this as every recorded discussion was transcribed. In each village, the researcher recruited individuals to assist with recruitment of group members and this assistant helped to set the stage before the researcher briefed interviewees about the content and purpose of the study. This was necessary as false information or misconceptions might create negative attitudes towards other researchers visiting the community in future. The researcher took the issue of building permanent trust very seriously. The FGDs took 90 minutes on average.

3.5.2.2 *Individual in-depth interviews*

Another data collection tool was qualitative individual in-depth interviews. These are "attempts to understand the world from the subjects' point of view, to unfold the meaning of their experiences, to uncover their lived world prior to scientific explanations" (Kvale and Brinkmann 2009). This tool was similar to FGDs but individuals as opposed to groups were the interviewees (Rubin and Rubin 2012), the details of the advantages/disadvantages are not discussed further here. Individual in-depth interviews were conducted mainly with village leaders, mining company staff, NGOs and government officials. All these officials were interviewed while in their respective offices except in the case of the Bulyanhulu Gold Mine Community Relations senior staff member, whose interview was conducted at the regional offices of African Barrick Gold in Dar es Salaam, following a directive from this office (see appendix 1 for details).

Other informal conversations with "gate keepers" of the two corporate parents also contributed important information. However, the researcher was cautious about the limitations of using this method of data collection. It was not very different from using key informants ("people who are particularly knowledgeable about the inquiry setting and articulate about their knowledge … whose insights can prove particularly useful in helping an observer understand what is happening" (Patton 2002: 321)); they could easily have introduced bias. Some of these key inform-

ants were neither residents of these communities nor company employees; this an advantage as they were less biased. For example, some issues emerged after an interview with an individual who was staying in the district and working with the community from time to time but who was not a community member. This included information on aspects the community had tried to hide and that could not be probed further for reasons of maintaining a good interview environment. The researcher asked whether there were inter-clan wars in North Mara, for instance (Fleisher 2002) and one group said no, while another group told her that there were people coming from the upper valley side to steal their cattle and they had to retaliate. They seemed unwilling to elaborate on this point, and she soon concluded that the question, although relevant, made them uncomfortable so she let it pass. Nevertheless, she suspected that the answer was in fact yes and she became more curious, wanting to know more. A key informant made this possible. He told her that those who had said that upper valley residents were thieves were more expert when it came to cattle raiding than the upper valley villagers. Prior to conversations with this informant, she did not understand that "upper valley" meant the first village she had interviewed. The informant made things clearer; the war was in fact between villages she had interviewed and not and with another, outside village. Nevertheless, they were all host communities to one company and could still act as one when it came to facing the company. The researcher did not realise that the three villages she interviewed were hostile towards each other. She had regarded them as one united community of seven villages (a false assumption based on information she had – which was true – that they were fighting the company as one). It was interesting how they could unite against what they believed was exploitation by the company.

3.5.2.3 Document review

Document review is the process of analysing documents or anything written on the phenomena in question, including archives of "interview transcripts from previous studies" (Rubin and Rubin 2012:27). The researcher made frequent visits to the three companies' websites in order to keep up with their public releases and annual CSR reports. Since these companies were over a decade old, their CSR reports were useful resources as far as ascertaining how companies document their interaction with the community and in tracing the changes over time (from their in-

ception). This helped, for example, to establish how they changed the names of these reports over time and what they meant by these name changes. For instance, AngloGold Ashanti began by calling its CSR report a "report to society"; currently they refer to them as "sustainability reports". These changes followed their reconceptualization of their relationship with the community, largely influenced by International Council on Mining and Metal (ICMM) of which they were a key member. The researcher also read ICMM sustainable development principles and other relevant publications through its website. Not all the information could be gathered by one research tool such as an interview because not all local staff knew the details of what was happening internationally (what the parent company was doing). For instance, only one of the interviewed company staff members understood the significance of the Guiding Principles on Business and Human Rights despite their endorsement by their corporate parent and "implementation" by both.

Other documents came from village offices, including a copy of the village benefits agreement that North Mara Gold Mine had signed with the villages, and a copy of a page from a grievance register from Kakola, a village near Bulyanhulu.

On the other hand, the researcher consulted websites belonging to activists and service delivery NGOs, reviewing documents from activist NGOs that levelled allegations against the companies in question. It was not possible to find what service delivery NGOs did with companies as most of these partnerships had ended few years back. Therefore, interviews were the main source of information. NGOs whose websites were visited included but were not limited to LHRC, LEAT, CARE Tanzania and AMREF, all regarded as local NGOs as they had offices in Tanzania. With the exception to CARE and AMREF, these NGOs had no branches outside Tanzania. The researcher also visited other international activist websites, including MiningWatch Canada and Protest Barrick (also Canadian). These websites mainly published documents on the negative impact of Canadian mining firms, including Barrick. Publications from various sources, including newspapers, were found on this website, as it was up to date on what was happening in places where Canadian mining firms were operating. There were a number of publications on Barrick Gold Corp. It could also be because Barrick was the leading firm in the industry so influencing its behavioural changes meant influencing the industry (Hendry 2003); this is the price of being top of the class.

AngloGold Ashanti, a South African-based corporate parent of Geita Gold Mine, had fewer activist NGOs focusing on its operations in Tanzania other than the few local activist NGOs already mentioned. The few reports by international NGOs that were available were mainly on a few very "serious" issues such the report by Human Rights Watch accusing its DRC Congo's subsidiary of funding a rebel group (Human Rights Watch 2005). Not much has been written about its Tanzanian subsidiary, possibly because it was an African firm and its local South African NGOs had several local issues on their plate already.

Other websites visited when seeking relevant information included (but were not limited to) that of the Business and Human Rights Resource Centre that was set up to track both the positive and the negative impact of over 5100 companies worldwide. This website's strength lies in the fact that it encourages business to respond to any allegations of negative impact that this website publishes. The Business and Human Rights Resource Centre usually posts what is to be found in other media such as local and international newspapers or activist websites, but below this, they include how the company responded to accusations/claims. Their call for responses was regarded as a minimization of bias.

The researcher also subscribed to Mineweb.com, a daily newsletter that reports on what is happening in the mining industry. In this way, she kept up to date on relevant public releases from the three case companies as well as on what was reported on them in other media. Through this subscription (which is free of charge), she became aware that Barrick was in a process of selling African Barrick Gold to a Chinese state-owned firm. She also became aware that Barrick had been fined (16m USD) in Chile for environmental malpractice. All this occurred between the end of 2012 and 2013. Although the Chilean project was not the case in question it made her aware that the timing of the field work had coincided with a period when the company had many issues to deal with and this had to some extent affected their level of cooperation. The sales deal negotiations of African Barrick Gold (the four subsidiaries including two of the three cases) were used as an excuse to refuse the researcher access to the two companies' (North Mara Gold Mine and Bulyanhulu Gold Mine) respondents. Persistence made access possible, however, as immediately after the researcher learnt (through the same newsletter) that the sales deal had failed she used this to plead for access.

Lastly, various Tanzanian governmental documents, including the Mineral Policy 1997, the Mining Act 1998, Mineral Policy 2009, Mining Act 2010, Land Acquisition Act 1967, Land Policy 1997, Land Act 1999, Village Land Act 1999, and Village Land Regulations 2001 were reviewed. From these the researcher was able to determine what role the government was playing in improving or otherwise the mining companies' community relationships and the ability of the community to extract localised social accountability on land issues and the company to grant this.

In dealing with all these documentary sources, the researcher was cautious of biased reporting. In order to limit this, documents were treated just like any other transcript and triangulated (Rubin and Rubin 2012).

3.5.2.4 Direct observation

As she was using interview methods, the researcher also observed non-verbal behaviour. This helped to evaluate and challenge the responses through more probing if the non-verbal behaviour seemed to suggest hesitation on the part of the respondent.

The researcher observed a violent fight between police who were guarding the mine and illegal miners (intruders). These intruders were throwing stones at the police and the latter retaliated by using tear gas. This endangered passersby. Fortunately, the researcher was in a car and could close the window and her car was not stoned. She did manage to take some photographs surreptitiously with her mobile phone; she feared that the police would confiscate the photographs if they saw her taking them.

In the end, the researcher observed other incidents but could not use the photographs. This would have amounted to a betrayal of trust and may possibly even have incriminated those who had given her access to the facilities. Most of these incidents could be reported (with precision) without providing photographs. The researcher made very limited use of a camera, sometimes even refusing to take pictures of those who requested it (especially community members) as their confidentiality meant their safety and security, an aspect that they sometimes failed to take into consideration. She tried to make them understand research protocols and her duty to protect sources, especially in an area and on a topic that was plagued by conflict. She took pictures strictly of events and things like

tailings dams and school projects, not of particular individuals or groups gathered for FGDs.

3.5.2.5   Other sources

As a case-study researcher is regarded as an investigator who should leave no stone-unturned (Yin 2003), sources of data were not limited to those initially planned during the design stage. The drivers, guests and public officials with whom the researcher had the opportunity to talk also contributed information to the study. One such example was a senior public official at district level with whom the researcher forged a close relationship who refused to provide data on levels of in-migration in the North Mara Gold Mine community. He told the researcher that this information was confidential. This led to the conclusion that he was hiding something. Using other information, the researcher was able to connect this to the allegations that some high-ranking officials in Tarime district were investing on Norh Mara community's land as speculators. A great deal of evidence seemed to suggest that the North Mara community was relatively closed (with very few in-migrants, mostly teachers and a few village executive officers).

3.5.3 Data analysis

The study is interpretive in the sense that it attaches "significance to what was found, making sense of findings, offering explanations, drawing conclusions, extrapolating lessons, making inferences, considering meanings, and … imposing order on an unruly but … patterned world" (Patton 2002: 480). A localised social accountability framework used as an analytical tool (as developed in chapter 2) guides the study. The framework covers the roles and relationships of actors in local accountability. Individual case and cross-case analysis was employed. Field data extended Bovens' (2007) framework, which was explained in chapter 2 (Yin 2003). The general framework discussed in chapter 2 guided and was modified by the data gathered on issues of land grievances, environmental pollution, violence and company social spending.

3.5.4 Positionality

As a qualitative researcher, I strove to balance "subjectivity" and "objectivity" because in this tradition it is difficult to achieve the latter but also

"pure subjectivity undermines credibility" (Patton 2002:494). In order to minimize and manage bias I had to examine my position as researcher. That meant reflexivity about the subject (Patton 2002). This enables self-awareness and caution of bias, which is necessary for its minimization. Consumers of research works need also to know who the person producing it is, especially when the subject is contentious. In addition, the sensitivity of some of the issues in the study made it necessary to include "reflexivity about audience" (Patton 2002). For this reason I will discuss how I perceive myself and the research subject (the communities and companies in question) and how I managed my perceptions.

I am an academic staff member of one of the public universities in Tanzania, Mzumbe University. My interest in investigating this topic evolved from wanting to study the role of NGOs in influencing corporate environmental behaviour. This arose from my interest in the work of NGOs, which was the subject of my master's dissertation. This was focused specifically on the role of NGOs in public policy making. Initially, the topic of my doctorate was NGOs' interaction with Gold Mining Multinationals in Tanzania and how this influences corporate social responsibility. Initial field work made me decide to change the topic because communities seemed to matter more when it came to the way gold-mining companies behave.

As an academic staff member I thought my research would be easy as far as access to the subject was concerned. I thought both communities and companies would consider me a neutral researcher and that they would cooperate. This perception came from my personal communication with students from the University where I teach who had done their master's dissertations in this area (specifically CSR). My experience proved me wrong. Companies were not in favour of my research. One company explicitly tried to discourage me. It took some time to get the go-ahead from them as they said they needed to seek approval from the parent company abroad. But even after this approval had been given they tried to discourage face-to-face interviews with their staff. I insisted and persevered. Some of the interviews had to be conducted at hotels in Dar es Salaam, not at the mining sites. Besides this I faced a number of frustrations such as threats of withdrawal after the permission had already been granted. This is why the field research took longer than expected, 13 months in all.

Not all companies showed this resistance, however. One company was friendlier but through some informal sources I also learnt that the management was suspicious of me and my research. The respondents were "warned" to be careful of me. I inferred that both companies were not very accepting of researchers who were linked to universities abroad because the likelihood of publishing results widely was higher.

I could understand their concerns because both companies have had experience with published research reports that have revealed one form of irresponsible behaviour or another. I concluded that on topics that were less critical and those that involved local master's students who had a smaller chance of being published in international journals, companies would be more cooperative.

The initial frustration I experienced in my interactions with these companies could have influenced my perceptions of them prior to conducting the field research. I had begun to ask myself questions such as "what are they hiding?" But I tried to minimize possible bias by keeping strictly to research questions that were more focused on investigating the interaction and underlying structures that cause this rather than studying the company's irresponsibility or responsibility. I focused on studying the mechanisms (Bovens 2010). As the work included both companies and communities, even claims from communities were not taken at face value because I knew that they were also more likely to overstate their unfair treatment by companies. This was done through triangulation.

Studying the interaction between communities and companies on the issues of land, the environment, violence and social spending was considered a sensitive topic. This has made me conscious of how I report the findings. Where some responses were sensitive and concealing a respondent's identity was impossible, I tried not to report them. In this study both community respondents and company staff were regarded as vulnerable. For example, one company's gate keeper gave me permission to report on the position of those who gave me information but to consider this information as personal views and not those of the company. This alerted me to the tension and risk to those who provided me with information about the company; this gate keeper knew them as he was the one who linked me to them. In order to be systematic I reported all interview responses as responses from specific staff (using their positions), and not from companies. In the case of information that was considered sensitive, even the position of the one providing it and his/her

company remained confidential. In all other cases the thesis opted for revealing the identity of case companies because not doing so would have limited the validity of the thesis. On the other hand, there are very few gold-mining companies in Tanzania, thus one could easily identify the company to which the thesis was referring: withholding the name was therefore of little use. I did not promise these companies that I would hide their names.

Although I am Tanzanian, I was aware that many of my respondents considered me strange. I was born and raised in the capital city so even my Swahili was different from that of those who came from rural areas. I was educated while I knew most of them had finished primary school. The most serious issue, however, was the fact that I was a woman interviewing rural men in patriarchal societies. This made me more aware of my status as a woman and as a formally educated Tanzanian. I tried to underplay my educational status by creating an environment that allowed my respondents to present themselves as masters of knowledge on the issue of the interaction between companies and communities. I also tried to behave like local women; I did not wear dresses that singled me out from village women. Nevertheless, some of my respondents referred to me as a "woman" from time to time, especially when they were complaining that "men" who were the bosses of the mines did not want to meet them when a "woman" [me] could talk and listen to their stories. My interpretation of this was that women were expected to do less than men.

The audience of this research is not only the companies in question but also the communities. Some communities were suspicious of my research agenda. They wanted to know for whom I was working. Some asked me to show them my identity card. As far as I could understand, they wanted to know whether the research would add value to their lives and livelihoods. They wanted to know whether I was working on behalf of the government or the company (some asked me this question), whom they consider as perpetrators of abuse. I tried to be honest with my respondents. I did not promise them very much: I told them I was a PhD student and that the most I could do would be to publish the results of the study. I would present their views and that of the company and my judgement on these from the standpoint of a critical realist who believes in one truth. I told them that research has an impact on the lives of communities because companies, especially corporate parents, and the

government do learn from this the truth of what is happening on the ground. This can prompt debate and possible changes to company policies and practices if need be. However, I cautioned them that I was not working for NGOs or the state. I was a PhD student who expected to publish her work in international journals. This seemed to satisfy them. One respondent, whom I learnt was a new graduate, supported me by saying he was aware that some scholars had written about their community, even though the publication had not portrayed them in a good light. For this reason, they allowed me to hold focus group discussions with them.

Originally, I planned that this study would focus on NGOs and companies, with the assumption that its most important role would be to make companies accountable. In the preliminary analysis of the data, the work of NGOs was refined as one of the necessary actors but local communities became the key actors. The fieldwork experiences revealed that in the struggle with the mining companies, the actions of communities preceded NGO activism. The reason for this is that NGOs' roles were more clearly defined and evident when communities were already active. A community's capacity to act on its own first was crucial. NGOs followed rather than led when it came to company interaction with the community. This contributed to the decision to change the thesis title, removing "NGO" and replacing it with "community". Nonetheless, findings did not reject the role NGOs played in this interaction, as there was empirical evidence that companies feared and responded to negative international publicity. There is no doubt that those who amplified what was happening on the ground were local NGOs in collaboration with their international counterparts.

3.5.5 Choice of themes

The four themes of land grievances, environmental pollution, violence and social spending were selected after the analysis of the initial field data. This revealed that these were common areas of interaction. The researcher is aware that categorization invites criticism. There were other themes, such as human rights, that the thesis might have used to describe the interaction. In this case, though the choice of these themes was thought best not only to describe the interaction sequences but also

to provide a clearer picture of what issues face communities (e.g. land grievances and environmental pollution), the strategies used to achieve redress (violence), and the response from companies (social spending).

Notes

[1] Letter to African Barrick Gold from MiningWatch Canada, complaining about the procedure followed in compensating rape victims of its subsidiary North Mara Gold Mine, which can be found at http://www.miningwatch.ca/sites/www.miningwatch.ca/files/letter_to_barrick_regarding_north_mara_2014-02-21.pdf accessed on 4/2/2015

[2] http://www.icmm.com/members/member-companies accessed on 28/4/2015

[3] Large-scale mining at Geita began during the colonial administration but the project was later shut until this new discovery was made in the 1990s. Small-scale miners started mining operations by collecting ore-bearing rock from the abandoned project. This is the reason these small-scale miners had to vacate the mine when the State decided to reopen it after this discovery.

[4] http://www.humanrights.or.tz/?page_id=487 accessed in 15/6/2011.

[5] http://www.humanrights.or.tz/?page_id=487 accessed in June 15, 2011.

4   The struggle for localised land accountability

Among the first issues that companies and communities encounter when a mine is being established are complaints about land. Land is an important resource for the poor in the rural areas where these mines are mostly situated. Land is the major source of livelihood. It is linked to farming, fishing, mining and other social economic activities of these residents. Not only do these communities have strong spiritual connections with to land, because their ancestors are buried here and they perform rituals on their ancestors' land (Luning 2012b). When land is taken from them, conflicts are likely, even when this involves some compensation. Communities resist these investments when they are introduced or at a later stage for different reasons, but mostly because of the perceived unfairness in the way this landownership has been transferred. This has invited criticism from activists and scholars using terms such as "land grab" (Borras Jr and Franco 2012). Land grabbing is a broad term that includes nuanced instances such as those where locals [in false hope] gave their consent to these transfers (Edelman et al. 2013).

This chapter applies the localised social accountability analytical framework to community land grievances. It responds to the key question, "How and to what extent were communities around gold mining in Tanzania (un)successful in extracting localised social accountability from gold mining companies on land grievances?" Specifically, the chapter sets out to answer questions that are borrowed from scholars from the University of Utrecht (Bovens 2010): Is the company obliged to inform or account to the community on land dealings, issues and complaints? What factors are responsible for this? If they did do so, was it timely and sufficient? Can the community question and debate the information? What consequence did the community judgement have on given information? Three gold-mining companies, Geita Gold Mine, North Mara Gold

Mine, and Bulyanhulu Gold Mine and their host communities are the illustrative cases in this chapter.

While this problem has caught the attention of international communities including multilateral, transnational organizations (CAO 2002, Protest Barrick.Net 2013, MiningWatch Canada. 2009), local communities have also started or are continuing to resist this form of perceived injustice. Their resistance forces companies to respond. One of the popular responses is the introduction of voluntary corporate social responsibility (CSR). CSR is defined as initiatives that use voluntary approaches to minimize corporate social, environmental and human rights impacts (Utting 2010). The voluntarism of CSR has attracted debate as it is seen as the reason for the continuation of business scandals and allegations of human rights abuses and inequality (Lindsay 2012, Utting 2007, Utting 2005).

This has prompted some scholars and activists to propose the imposition of some form of regulation (Lindsay 2012, Newell 2005, Garvey and Newell 2005, Newell 2006). Among these is corporate social accountability that introduces answerability and enforcement (Garvey and Newell 2005). Most of the proposed ways of accounting have focused on "bringing the state back" in (Lindsay 2012). With a few exceptions, the role of victim communities (Garvey and Newell 2005, Owen and Kemp 2013) and more importantly their interaction with companies (Kemp et al. 2011) is rarely the centre of research. Borrowing from accountability literature, which is mostly state centric (Bovens 2007, Bovens 2010), this chapter applies a localised social accountability framework to study this relationship. It focuses on interaction between gold-mining companies and host communities on the issue of land. The framework makes a departure from referring to communities as "sub-altern" and from studying their victimization and neglecting their everyday resistance type of interaction with these companies (Kemp et al. 2011). This is expected to add to the knowledge on what recourses are available to communities when seeking solutions to their grievances.

In Tanzania, the state owns all land. The law recognizes citizens as occupiers of the land but foreign investors have to lease land from the state (The URT 2010). The land policy has decentralized land administration to the lower level of the government but when it comes to large-scale investment the central government remains in charge. The reason for this is that the transfer of anything over 250 acres must be done by

the commissioner for land; village assemblies will only be consulted (The URT 2001).

Three cases illustrate interactions between Geita Gold Mine, North Mara Gold Mine and Bulyanhulu Gold Mine and their communities. Issues concerning land issues are explored and explained in this chapter. The chapter begins by providing a brief overview of the localised social accountability framework and its application in the analysis of land claims. From this brief theoretical overview, a set of specific questions is drawn up to guide the analysis. The cases of the three companies and their communities that are used as illustrations follow. Each individual case is concluded before the final concluding remarks that bring together lessons learnt from the three cases. This chapter focuses on the mechanisms that hinder or support a localised social accountability relationship on the issue of land (Bovens 2010). The section below explores possible factors that bring about the existence of an accountability relationship between company and community. It discusses the role of various entities in this relationship and interaction.

4.1   Localised social accountability framework as applied to the issues of land

In chapter 2, a general framework for studying the interaction between communities and companies was developed. This is the localised social accountability framework. This chapter is the first where this framework is applied. When it comes to land, the interaction between company and communities operates in a different environment, where the state is a key player. This is because the state is the owner of the land. Companies regard this to be the legitimate forum on matters to do with land. The ownership issue then reduces the power of the community to resist these investments or to negotiate for better terms (Garvey and Newell 2005 citing Mulligan). The form of land ownership that is most appropriate for countries of Africa is the subject of ongoing debate (Okoth-Ogendo 1989). This chapter throws more light on the challenges posed by statistics and modern forms of land ownership (Peters 2009).

Despite this, we will see in this chapter that there is a chance, albeit small, for communities to gain the power to negotiate or resist perceived unfairness of land deals. This power is associated with their links with other more powerful, legitimate and urgent stakeholders (Mitchell et al.

1997). But most important is the community's ability to articulate their demands and push forward their collective interests (Wils and Helmsing 2001). This seems to have been more successful where communities could use violent strategies rather than diplomatic ones, however (Trebeck 2007). Against this background, the following section turns to the three cases in this study.

4.2 Localised land accountability at Geita Gold Mine

As explained in chapter 3, Geita Gold Mine is a subsidiary of AngloGold Ashanti, a South African corporate parent. This section will discuss three land grievances implicating this mine, namely: the delays in compensating Katoma residents; Nungwe complaints on company road destruction and Nyakabale village complaints on the closing of the road cutting through the company premises; and the forcible eviction ofnow residents of Sophiatown.

The government informed Katoma residents that they were living inside the Geita Gold Mine's concession and ordered them to vacate the land. This led to complaints, not because these residents were not willing to move, but because the processes of evacuating them were delayed. The maximum time from land valuation to compensation provided for by law is six months (The URT 2001). Six months elapsed without any compensation. These delays cost residents because once land has been valued, one is not allowed to develop it further. These people were thus unable even to farm their land because that would not be included in compensation. Whatever information the community received regarding the delays was based on rumours (FGD Katoma 3). No accountability relationship existed because information is a necessary component of such a relationship (Bovens 2010).

Company officials explained the delays, accusing some residents of bribing the valuators to overstate the value of their land. The company planned to repeat the valuation exercise (interview with Geita Gold Mine Community Superintendent). The company's Vice President: Sustainability revealed that dishonest villagers had purposely built structures on their land when they heard that the company was about to acquire their land in exchange for (monetary) compensation (he was responding to a question at a Policy Forum's breakfast debate held at New Africa Hotel

on 27 February 2015 where the researcher was present). These specula-tors were also active at North Mara Gold Mine, as discussed below.

The decision to re-evaluate the land was taken without consulting the land occupants. They complained that their crops were valued in per-centages and that they did not understand how the valuators had arrived at the figure that they were to receive as compensation (FGD Katoma 3). Other studies have reported similar circumstances. In addition, those who received compensation from the company signed documents writ-ten in English even though the majority could only speak Swahili (Makene et al. 2012).

NGOs have tried in the past to intervene in conflicts between the company and Katoma residents. In 2000, the director of LEAT visited the residents. After listening to their complaints, he advised them to make their voices heard or else no one would respond to their com-plaints (FGD Katoma 3). He appeared to think that they were not put-ting up enough of a fight. He did not visit them again (FGD Katoma 3). It is more likely that the NGO could not assist because of legitimacy and representation problems (Kamat 2004, Banerjee 2011, Fassin 2009); es-pecially as the victim community do not seem to have taken any action. This lack of ties with external actors could have contributed to the community's failure to establish an accountability relationship (Garvey and Newell 2005).

These residents were of the view that the government favoured the company because it had money. In a group discussion, one member for example revealed, "This Company has been here for 14 years only and it found people staying here" when explaining how the state had favoured the company on the issue of land ownership. The group argued that it was difficult for community members to register (statutory) land owner-ship but it was easy for the company to do so. This is why the state had decreed that they were living inside the company's concession (FGD Ka-toma 3). They had been forced to agree to relocate because the company had been paying land fees to the district offices for almost nine years, making it the legally recognized occupier [granted land right] (FGD Ka-toma 3). The community was also surprised that they had suffered loss from delays in compensation. They could not proceed with any devel-opment on their land; they were in limbo, not knowing when they would be compensated (FGD Katoma 3).

In previous work on Geita similar accusation were about the government's favouring of on large companies over the community (Lange 2011, Carstens and Hilson 2009). Carstens and Hilson note:

> … specific reference was made by villagers to how the government had given "their land" to the companies "over their heads", … Tanzanian courts usually judge in favour of modern rights systems, ignoring the concerns of citizens who hold customary or informal title deeds. (Carstens and Hilson 2009: 315)

In the absence of community activism and with the existence of the country's unfavourable land regulatory system, the company was allowed to sideline the community in decisions on how much to compensation to pay them, and when. As the company could say no to the terms of payment when it was a larger amount than expected, the community had no such power to question or even to demand information on the progress of the compensation exercise.

A second case is that of the Nyakabale village road block. This village is separated from Geita town by the company concession land. The shortest route residents could use when they went to town was closed for security reasons (Interview with Company Community Superintendent). This forced villagers to travel as far as 22 km by bicycle on a very rough road (Hilson and Carstens 2009:317). This village rallied and protested violently against the company's decision (FGD Katoma 3). There were reports that company property was destroyed: for example, vehicles were set alight. The company later decided to buy two buses for the village and pay all running costs, including fuel and drivers' salaries (Interview Company Community Superintendent Geita Gold Mine). This was decision was probably made as the company had incurred financial loss and was faced with a security risk, and a risk to its reputation as well (Trebeck 2007). Incidents such as these are reported to influence company responsiveness in the absence of state regulations (Trebeck 2007). This is similar to what the literature on accountability says about the power of consequences (Bovens 2010). In this case, the company could not ignore the loss to their property or the security risk. This reflects a pragmatic kind of claims credibility (Black 2008). Pragmatic legitimacy is the acceptance of a forum by the actor because of the actor's own interests, be they financial or reputational (Black 2008). This, as other scholars have noted, can be observed in contemporary CSR, were managers

prioritise on increasing shareholders' value (Ireland and Pillay 2010); societal demands are important only when they threaten the achievement of this value (Trebeck 2007).

The third case concerns the eviction of Sophiatown residents. These were former residents of Minempya, a village that was declared to be inside the company concession, and they had thus to vacate the area. Police raided their village on the night of 31 July 2007 and forcibly evicted 86 households from their land without compensation (FGD Sophiatown 5). During the eviction, some of the residents were brutally beaten and the police who carried out this exercise appropriated their portable property (FGD Sophiatown 5). These villagers were forced to stay in tents (see figure 4.3). During a field visit, which took place almost five years after the eviction, the researcher observed that 11 families were still living in tents. Others had received assistance from their relatives (FGD Sophiatown 5). The displaced residents were making their living as labourers on their neighbours' farms (FGD Sophiatown 5).

The Sophiatown residents filed a case against the company. The case was yet to be decided and these residents suspected corruption as one was quoted as saying "how can a case take this long as if it is a murder case; they [the company] are bribing [the court]". They complained that these delays were denying them justice as some were ill and some of the group had died. One group member observed, "Look at this woman's eyes. When we arrived here they were okay". The old woman's vision seemed to be poor.

According to various sources, the company paid a sum of $5.06m to the state as compensation for this eviction but this ended up in the pockets of some public and company officials (Lange 2008) as the quote below reveals:

> The government's Prevention of Corruption Bureau investigated the case in 2002. Two GGM [Geita Gold Mine] employees and a number of lower level civil servants were found guilty. In February 2004 it was decided that the government should offer Tsh600 million (US$ 550 458) to those who had not been properly compensated. (Lange 2008:16)

It was said that these officials fabricated compensation claimants' names and came up with a list that comprised people who were not Minempya residents (Lange 2008).

Former Minempya residents and a senior company official were unwilling to discuss the corruption issue in an interview. According to the literature, victims and those who assist them focus on the easiest target when they seek compensation (Saunders 2014). Targeting the state, especially a developing country state, is difficult (Saunders 2014). Knowing this, they could have opted to exclude it from their story in order to focus on company-centric accountability. The accused individuals are also "judgement-proof" (Saunders 2014:14) as they cannot pay the whole sum of more than $5m. It is more likely that the accused did not have this money, particularly as there were allegations that there were some high-ranking government officials behind this scandal (Lange 2008).

In interviews, the company's Ccommunity Superintendent, for example, revealed that the company (and the government) was in the process of finding land to build houses for Sophiatown residents. He went on to say that this was not because they were liable; this move aimed to end the debate, as they were afraid that the matter would take a political shape as this case had already been published in international journals. If not for these pragmatic reasons, the company would have waited for the courts to decide in which case, according to the more recent response from Vice President (Sustainability) of Geita Gold Mine, the community lost the case. However, they went ahead and compensated the community with modern houses. This decision to compensate suggests that they were not willing to risk the tarnishing of their image. The Vice President hinted at this when answering a question (that a participant in Breakfast Debate (ibid.) had posed) on Sophiatown. He answered that they could not completely escape blame. It took the company more than 10 years to resolve this conflict and they completed the building of 18 houses at the end of 2014 (Vice President Sustainability – Geita Gold Mine[1]), a move that was more than likely initiated by the company.

Figure 4.1
Sophiatown tents

Source: Photo taken during field visits in 2013

A spokesperson for AngloGold Ashanti (the corporate parent) was quoted by IRIN[2] as pointing to multiple actors (Bovens 2007) and legal deficit as the source of the problem:

Responsibility for carrying over compensation and resettling the affected parties rested with the Tanzanian state … GGM has observed the provisions of the Land Acquisition Act (1967) and Land Act (1999) regarding compensation and resettlement activities within the GGM Special Mining

License Area. [GGM stands for Geita Gold Mine]. (IRIN 2013: quoting AngloGold Ashanti)

Further information revealed that the resettlement had been carried out in partnership with the state as the quote below reveals:

> … the Ministry of Energy and Minerals approached Geita Gold Mine in 2011 seeking support to resettle 18 families from Minempya, and that in April 2013, Geita Gold Mine "agreed with local authorities and the Tanzanian Government to fund the construction of 18 houses for the displaced residents at a cost of US $ 450 000 or 999 million Tanzanian shillings". (IRIN 2013)

IRIN continues reporting on what they gathered from the company regarding the reason they decided to engage in compensation when it was not their responsibility:

> Such a decision … was made "regardless of the matter being in the court of law because the initiative was based on humanitarian grounds". (IRIN 2013 quoting AngloGold Ashanti)

This case is an example of how pragmatic reasoning can drive credibility of community claims (Trebeck 2007). The company's decision to act was probably influenced by a threat to its reputation as external actors became aware of the case through the international media. This differs from the Katoma case that remained a concern of this local community.

The accountability deficit in this case was again the result of the structure of land ownership. The company did not feel obliged to ensure whether the money reached the relocated occupants because there was no direct transaction between the two as the owner of land was the state. Although this legal arrangement reduced the company's responsibility and duty to the community, it turned out to be a social burden when things went wrong, for instance where the community demanded compensation from the company. The case also called into question the appropriateness of the legal provision that allowed cash compensation (The URT 2001). This, as we will also see in the North Mara case, is among the key contributors to compensation related land grievances. The law provides the option of cash or "land for land" compensation; the company's decision to use cash was thus lawful. In an age where shareholder value is superior to that of other stakeholders' interests (Ireland and Pil-

lay 2010), opting for cash compensation is not surprising. "Land for land" compensation cost more as a company has to take care of public goods including schools, hospitals, water, roads etc. if it has to resettle a village (as opposed to individuals) as this is what the law requires under this option (The URT 2001).

Current developments in the mining sector aim to champion human rights by, among others, discouraging involuntary relocation (ICMM 2013b). This may also have influenced Geita Gold Mine's decision to find a solution to the Sophiatown dispute. Its parent AngloGold Ashanti is one of the longest standing and key members of International Council on Mining and Metal (ICMM), an organization formed by large companies in the industry (the majors, not the juniors). Other residents of Nyamalembo whose eviction decision came later did not receive this harsh treatment although some of them refused to vacate, demanding a sum of money that the company could not pay (FGD Nungwe 4).

Moreover, new developments reveal that the corporate parent – AngloGold Ashanti – has learnt the less conflictual way of dealing with compensation after this incident. The company is now considering shifting from cash payments to land for land, as quoted by IRIN: "future compensation exercises for displaced communities will include a 'shift away from cash payments to a land-for-land basis, in addition to support for economic resettlement activities'"(IRIN 2013, quoting AngloGold Ashanti). The World Bank Group's Involuntary Resettlement Policy (The World Bank 2001 (revised in 2013)) also advocates the land-for-land compensation scheme.

This case is also illustrative of the role of the corporate parent in a subsidiary company's responsiveness to localised social accountability demands. Despite being the propagator of international norms (Dashwood 2012), it seems that its corporate policies were also informed by subsidiaries' experiences although, as I will argue later in chapters 6 and 7, these norms were not extended to all subsidiary companies and the more active communities were favoured.

Based on the set of localised social accountability questions provided at the beginning of this chapter, the community could not succeed in establishing an accountability relationship without the presence of a threat to company reputation or property. This is possible in communities that can organize and that have participatory community management skills (Wils and Helsing). Katoma failed because it lacked commu-

nity leadership to call for a demonstration. Nyakabale succeeded because it could organize and use violent measures. The publicity of its case assisted Sophiatown. This is similar to the power of networks in collective action. Although there was no relationship that could be termed a networked action, the attention of external actors helped to raise the profile of this case. Networking is also one of enabling factors identified by early works on community as explained in chapter 2 (Wils and Helmsing 2001). Moreover, owing to the land ownership structure and the absence of a legal requirement to do so, this company was not obliged to provide information to the three villages. The villages had no land ownership rights, which made their legitimacy as a forum on land issues problematic. Their claims would have been more legitimate if they had been made to state authorities and not to companies that had no direct transactions with them on land. They acted because of possible or actual financial loss (Trebeck 2008). In addition, in these two cases the community was viewed as a "passive recipient" as these responses did not guarantee an institutionalized, two-way relationship in which the community could debate the decisions of the company in future. The land ownership issue is illustrative of the state's role in the ability of community to demand justice. Here, the state, through legal land structures, acted as hindrance to collective action and not as enabler as should have been the case) (Wils and Helmsing 2001).

On the other hand, some individuals who valued private gains downplayed the credibility of the community's claims. Immediately after discovering that they were soon to be relocated, these individuals looked for money to invest in the land they occupied in order to increase its value and in this way receive more compensation. Other scholars have also commented on the issue of private gain as a hindrance to collective action gains (Rifkin 1986). This worked against them, as the company used their actions to justify its failure to respond to land complaints.

In general, the findings from the Geita case imply that there are deficits in localised social accountability between Geita Gold Mine and its community. However, the case of Sophiatown seems to have been a learning experience for the company, as management has mentioned that they are thinking of revisiting their corporate level compensation policy. This also says something about the power of the corporate parent and the autonomy of its subsidiary companies (Campbell et al. 1995). AngloGold Ashanti's willingness to apply land for land compensation in its

future dealings illustrates how multinationals can generate international norms when they implement rules beyond a country's legal requirements. (Dashwood 2012)

4.3   Localised land accountability at North Mara Gold Mine

As explained in chapter 3, North Mara Gold Mine was under the ownership of two mining companies prior to its current owner, African Barrick Gold. The first owner was Africa Mashariki Gold Mine and the second, Placer Dome. Africa Mashariki was a junior company whereas Placer Dome (which was Canadian) was a major company. The first owner's relation with the community was poor, largely because of land disputes during its inception (Interviews and FGDs). When Placer Dome acquired the mine, it made an effort to solve some of the land disputes (Interview Leader Nyamwaga). This was in response to continued violent community protest. The community resorted to violence to express its concerns and with the help of police, the company fought back (ibid). In 2006, Barrick became the owner after acquiring Placer Dome. Just as in the case of Placer Dome, it inherited these conflicts.

Although many disputes were bred during the mine's inception, others were directly linked to North Mara Gold Mine. Land acquisition became an ongoing problem as the findings will illustrate. North Mara community made several land claims but the focus here will be on the most reported ones; firstly, the case of forcible eviction of small-scale miners, a conflict that can be directly linked to the first owner, a junior company; and secondly, conflicts with other land occupiers during operations in which companies attempted to expand the concession area. The chapter will illustrate how the strategy a community chose to use led to their success/failure to extract localised social accountability. These land disputes are discussed below.

Five North Mara villages received government licences to mine on the village land. These villages decided to sub-grant these rights to individual community members. When Africa Mashariki Gold planned to invest in North Mara land, it was inevitable that they would have to seek consent from the five villages because they had the legal mining rights. As these villagers were earning a good income from mining, they were not interested in selling their claims to the company. They resisted the move immediately they heard the news that the government was plan-

ning to transfer their claims to this company. The resistance turned violent when the state deployed police to counteract the resistance.

The story that is told by the villagers is that Africa Mashariki Gold (the first owner) betrayed them by giving money to the elders and jobless youths, which they said was to assist these two vulnerable groups. This money was handed over at a village meeting, where the company officials made sure that photographs and signatures of those receiving it were taken. This was then used as evidence of community consent to giving their land to the company.

Explaining this, one group revealed that there was very little money, in fact, ranging from Tsh5000 to Ts50000 (roughly $2.5 to $25 each) (FGD Nyangoto 2). Villagers dubbed the incident "manojob", which is a local term for "those with no jobs" (FGDs Nyangoto). In a group discussion, one respondent commented,

What they wanted was to claim that we villagers have agreed to give our mining pits to the investor. But they used trick way. We did not agree. They decided to give people money and asked each of them to sign. The signatures were used as evidence that the village assembly had agreed to give away the land. The person who planned this is from this place [referring to the general Manager of the company at that time]. (FGD Nyangoto 4)

Village leaders were also accused of siding with the company on this manojob, as quoted below:

They knew that residents would not agree to sell their mining pits. Those who were advising them including our then village leaders introduced this idea of *"manojobs"*. From one village to another a date was set for residents with no jobs – specifically elders, women and youth – to collect money from village offices. They were told that the company was providing the same as charity. They got response from so many people. They gave money, took photos and asked for their signatures. Then the list of signatures was attached to the village minutes [cooked by village leaders] that said it was agreed in a village assembly to sell village land to the company. Since then we have been in land conflicts with the company. (FGD Nyangoto 2)

The government sealed the lease of the area to the company. Although this affected all five villages, small-scale miners were hardest hit economically. They could not sustain their resistance because the gov-

ernment intervened and forcibly evicted them from their mining pits.
Using a police riot squad, the government provided security against any
violent threats from the community (Interview Leader Nyamwaga) and
these police were still there at the time of the field research in March
2013, more than 10 years later (observation).

Initially, other community members, those who were not engaged in
mining, did not join the movement to resist the project. Once they be-
came aware that what they were expecting from this large-scale project
would not materialise, and that they would merely experience the side
effects of the mining operation, they too joined the resistance (Leader
Nyamwaga). These villagers had expected improvements to their lifestyle
through employment opportunities with the company. Senior state offi-
cials had in fact assured them of this during village general assemblies
where they had introduced the project. Even the then president had spo-
ken to them about the benefits that would accrue to them from the pro-
ject (Interview ex-councillor). When they realised that that these were
empty promises, all community members united against the company.

Some village and ward leaders resisted this investment at the incep-
tion stage of the project, but they were intimidated. In an interview, one
ex-councillor (who was also a retired army officer) explained how he had
resisted the company's actions in taking their land. He was singled out as
the most stubborn ringleader. As he explained, the former president
Benjamin Mkapa was delivering a speech in a village assembly, designed
to convince the North Mara community to accept the project as it would
benefit the community, a meeting also attended by foreign investors.
This respondent was still a councillor at this time and he responded by
making a statement that provoked the president. He accused the presi-
dent of being a liar. Immediately after the meeting, he was arrested and
charged with armed robbery, which he stridently denied. He was sen-
tenced to 15 years' imprisonment (Interview Ex-Councillor). With the
help of LEAT, a local activist NGO, he won an appeal but he had al-
ready served a number of years in jail (Interview with the ex-councillor).

North Mara community differed from the other two cases in that it
was very willing to participate in this research study. They even asked me
to take their photographs and to air the group discussions on radio,
something that I declined for ethical reasons. The community members
were not afraid to share their grievances with the public, which may be
why their stories have been widely reported in local and international

news media. This could also be why they attracted the help of activists, both local and international. Many community members took on leadership roles in order to further their common interest and these actions are close to the definition of Wils and Helmsing (2001) of participatory community management. Even when their leader, the chancellor, was jailed (arguably) innocently, they did not back down. This spirit was not observed in the other two cases.

The link with external actors increased this community's chance of success in extracting localised social accountability (Bert and Helmsing 2001, Garvey and Newell 2005). LEAT decided to assist the community, possibly because they were already active and easy to work with. It was also more organized because of the presence of small-scale miners, who had formed associations and managed collective interests. Largely, they acted as community champions, filed complaints to the Tanzania Commission for Human Rights and Good Governance with the help of LEAT, who acted as their advocate. The commission issued a stop order until the land dispute could be resolved (Lange 2008). The case was settled in February 2007 and "the company agreed to pay the formal small-scale miners one per cent of the proceeds from the gold mined in plots that 'originally belonged to them'" (Lange 2008:17 citing Daily News 2007). The owner was now Barrick Gold Corp.

Further updates on the conflict reveal that the company paid the said amount as royalties for the period it was extracting gold from the disputed land. When the gold ran out, the payments stopped (Interviews with Company Community Relations Manager). The payments were to cover the compensation of five villages, not individual small-scale miners. Concerns arose regarding the whereabouts of these billions of shillings, however; village leaders were accused of mismanagement (Interview with the company Community Relations Manager). The literature points to this kind of association as an enabler of community collective actions (Wils and Helmsing 2001). The next case (concerning Bulyanhulu) is also in support of the community enablement role of small-scale miners' associations, as will be explained below.

The second land conflict was associated with the expansion of the mine through the piecemeal purchase of individual community members' land. This approach was blamed for causing recent and continuing land related disputes (FDGs and Interviews with village leaders). It is important to note that unlike other gold mining companies in Tanzania,

North Mara Gold Mine's extractive activities were very close to the community, which has led some critics to describe it as mining inside the community. The company would approach the villagers, telling them it wanted to buy a small portion of identified land; after a few years, company officials would return, wanting to buy another area. This went on for some time at the company's convenience, pushing the local residents further and further away and allowing expansion of the concession land. This created conflicts because the villagers would know in advance of the plan to acquire their land before this became public knowledge. This was not good for the company because these villagers would immediately look about for people with money to develop their land. Using informal agreements, the speculators would build expensive houses and wait for company valuation and compensation. These speculators were mostly public servants from Tarime Township (Interviews with Company Community Relations Officer). The speculators expected to increase the value of the land so that the owners would be receive more compensation. The money would then be divided between the two, owner and speculator, but the owner would get the smaller share, although this was certainly more than what they would have received from the company without the speculator's development (Interview Village Leader 2 Nyamwaga). This ploy was successful, however, as according to the Land Act (1999), compensation must be based on any developments made to the land prior to valuation. The law is silent on speculation, however.

What triggered this practice was the fact that agricultural land was compensated at a very low rate compared to developed land. In addition, mineral deposits are the state's property (The URT 2010). No one can demand higher compensation because there is gold in his/her land. Host communities regard this failure to take into consideration what is under the earth's surface as unfair, as confirmed in a study conducted in Ghana (Lawson and Bentil 2013).

In one particular area, Nyamichere, new unoccupied houses, built by speculators, had mushroomed (observation). (Interview with a village leader, identity withheld). They were built over a very short period of time when information was leaked that the company was about to acquire this land. The owners were tired of waiting for compensation; the company claimed to be short of money with which to compensate them (Interview community Relations Manager). These buildings made the price of land per acre rise from $4,215 (Ts7.7m) to $109,487 (Tsh200m)

(Interview with Community Relations Manager). The company budget, based on the state of land was prior to this development (as viewed in aerial photographs), was no longer adequate for the compensation exercise. The Community Relations Manager complained that there were dishonest officials inside the company who had leaked internal plans to villagers.

This proved to be a problem that the company alone could not solve and it asked the government to intervene (Interview Community Relations Manager). By the time of the field visit, the state had formed a team to try to resolve the problem. Recent information indicates that the company had decided to use underground technology and to put aside the acquisition of this land, suggesting that the government could not use force to relocate these residents as was usually the case.

This might also spell bad news for speculators and increase tension between residents and the company, however. It transpired that high-ranking officials in the Tarime District were among those who had built houses in Nyamichere while they were not residents there (interview names withheld). When probed on where these public officials (with relatively low salaries) got the money to invest in the land the response was they had applied for bank loans but the delays and changes of plan meant they were paying interest for nothing.

It was interesting that the villagers also complained that the speculators benefited more than owners of the land (FGD Nyangoto 2). *The Daily News* quoted a resident of Nyangoto village as saying: "For *tegesha* [slang Swahili word for speculation] to end the mine should take all land it wants instead of taking small pieces and at different intervals"(Jacob 2014).

The villagers saw nothing wrong in their decision to build houses on their land. In one interview, a leader who pointed out that in Ghana people were building mansions for speculation purposes wondered why Barrick was complaining about this (leader, village name withheld). This suggests that this community had borrowed the idea of *resistance by speculation* from as far afield as Ghana.

The piecemeal purchase of land also affected community members whose farms were surrounded by mine concession land. This group complained of harassment by police guards at the mine and accused them of being corrupt. These community members were in turn accused of being illegal miners trespassing on the company concession in order

to steal gold ore when they visited their farms, as the quote below reveals:

For us, who our farms are inside the company concession, we are faced with frequent and random arrests because we are called intruders [is another name for illegal miners used around mining areas]. When we are detained at Tarime Police Station [the special police zone] we have to bribe them for our release. Innocent people are arrested because of intruders. But they don't want to compensate us so that we can leave despite telling them to do so. (FGD Nyamwaga 1)

The issues of inadequate compensation experienced by those who did receive compensation from the company may have triggered this speculation. These residents were also unsure of what they would receive as compensation as they could not tell how their land was valued. They were left with copies of documented valuations but they were written in technical English; the only languages they could read and write in were Swahili and their local language (FGD Nyangoto 2). One group argued

… you find in a sales contract that you are to sign they have written 90 percent. We don't know what it meant exactly. And they have written in English. … One resident of Nyabigana went to the District Office to pick up his cheque [for compensation] only to receive a cheque of Tshs200. [less than a dollar]. (FGD Nyangoto 2)

They therefore accused some local government officials and company staff of corruption and tampering with compensation amounts. The money passed through many hands before reaching these beneficiaries. The land occupiers received their compensation cheques from the district offices. The villagers suspected that some dishonest officials were tampering with the amounts although no court case was filed against them..

A personal communication with a senior official from the Ministry of Land confirmed the existence of dishonest dealings on issues of land valuation for compensation purposes. He pointed out that both parties were guilty of this behaviour, the company and the community. He observed that land valuators often take bribes from owners to inflate the value of their properties, something that was also reported during an interview with Geita Gold Mine's Community Superintendent when responding to a question on why they had delayed compensating Katoma village. Even at North Mara, however, the fact that some community

members received additional payments when they complained while complaints from others were ignored invites suspicion. This form of irregularity suggests the likelihood of corruption. One group question, for example, reflects this mistrust: "Where do they get additional money from that quickly?"(FGD Nyangoto 2)

Although in this case the community was very active, it nonetheless experienced leadership problems. Owing to the large-scale mining operations, there was mistrust between community members and their leaders on land issues. Some village leaders were benefiting exclusively from the company, which resulted in them taking the company's side (FGD Nyamwaga 3). The company was offering small work contracts to villages. Community members complained that these contracts were being offered to companies belonging to individual village leaders instead of to village offices. One leader was granted a tender to collect and then sell iron scraps from the company. The same leader also received a contract to do environmental cleaning. His company hired local women to do the work. Other community members pointed this out as the reason for his bias in favour of the company (FGD Naymwaga 3).

Some village leaders questioned the integrity of their constituents when demanding more compensation. One leader, for example, assessed and discredited complaints from his people regarding land compensation, something that was not part of his duties. According to the company's operational level grievance mechanisms, he was entitled only to keep the complaints register, not to assess the complaints. His assessment meant that he kept some complaints back instead of encouraging the company to deal with them quickly. For instance, a leader at Bulyanhulu would call the company now and then to pick up the competed forms. The human rights paralegal at an activist NGO, the Legal and Human Rights Centre (LHRC), who works with North Mara villages was quoted in an interview as saying;

Even village chairmen and village executive officers are on a company's payroll. How can you advocate for the rights of your constituents when you have work contracts with the company? It is a conflict of interests. It is obvious you will represent your interests when meeting with the company and when you meet villagers you will lie to them. (Paralegal LHRC Tarime)

Another similar quote emerged from group discussions:

> Our village leaders are using village offices to enrich themselves. They are using the loophole created by the fact that the company does not speak directly with villagers. (FGD Nyamwaga 3)

Only one village leader was recognized for his loyalty to his community. Even neighbouring villages identified this individual as a good leader and his failure to bring the changes the community desired was excused because they knew that all the decisions taken in the ward were democratic and in line with the will of the majority. When other leaders were dishonest there was nothing one leader could do about this (FGDs).

These village leaders were not the ones leading the protests, however. Unlike other communities, North Mara had alternatives. They retained their respect for their traditional leaders, the elders in their clans (Fleisher 2002). The present leaders were elected democratically but they were not as powerful as traditional leaders whose voices could easily mobilize collective action (Interview AMREF official who worked with this community for a number of years). Other cases (Geita and Bulyanhulu) had no such powerful traditional leaders. This and other factors such as a sense of ownership and participation in community management (Wils and Helmsing 2001) made the community members more active in resisting what they considered the company's injustices. Their action attracted the attention of external organizations such as the media, local and international NGOs and investors, a situation that threatened the company's reputation and forced it to respond.

The company established some form of localised social accountability, albeit with some delays. This took the form of two initiatives. One was the establishment of a grievance register that followed the advice in the UN Guiding Principles on Business and Human Rights to establish operational level grievance mechanisms (United Nations 2011). This register enabled the company to see the extent and seriousness of land grievances and conflicts. Land grievances made up 75 percent of all registered complaints and were increasing (Interview Community Relations Manager North Mara Gold Mine). The second initiative was the establishment of village benefits and impact agreements (VBIAs), discussed in chapter 7.

The North Mara case provides an illustration of some of the strategies applied by a community that exercised its agency to extract localised social accountability on land issues from a gold-mining company and whether they succeeded or failed. This community used violence and litigation, but some chose instead *resistance by speculation* where they invited investors to develop their land in order to increase its value so that they could claim more compensation. The company seemed reluctant to inform the community on land dealings, issues and complaints, which is probably why the community chose confrontational strategies. The fact that land in Tanzania is owned by the state implied that community members were land occupiers and the company, lessees (but from the state, not the community) rendered the community structurally disabled. This eroded the community's power to negotiate for favourable terms of compensation. The only option was to forge an accountability relationship by making the company's operating environment hostile (Trebeck 2008). This larger company had to be more responsive because many were observing its practices. In this sense, their claims' credibility was a pragmatic one (Black 2008).

The large size of the company (Hendry 2003), community activism (Garvey and Newell 2005), and community link with external actors influenced the company's responsiveness. Initially, they were at tough struggles for accountability as the first owner was a junior whose conduct was not the concern of those who monitor corporations' adherence to CSR standards. Its size made it invisible and a difficult target for activists (Hendry 2003). When the company was sold to its new owners, Placer Dome and then Barrick, the credibility of the small-scale miners' claims and their legitimacy was complicated because they were placed with a new owner who had had no direct involvement in the said disputes. In addition, these small-scale miners were not the owners of the disputed land; the state owned the land and did not intervene to resolve this conflict. Despite all these layers of responsibility, the new owner decided to respond. This may have been the result of a threat and or actual consequences facing them. The consequences arose from the community's violent resistance that on occasion proved fatal, as well as the ties it had forged with external actors, local and international NGOs, as will be seen in next chapters. This attracted the attention of other stakeholders including socially responsible investors (Sievänen et al. 2013: 139 citing Boatright 1999). Without this, the company would not have been obliged

to account for community land claims. In the end, it responded but only after actual and threats of consequences, largely in the form of loss of reputation (Bovens 2007, Trebeck 2008). In this case, as further evidence in the following chapters will reveal, a more democratic control was introduced, which it can be argued, was a step towards establishing some form of localised social accountability: the memorandum of understanding (MoU) in the form of village benefits and impact agreements (VBIAs) and an "operational level grievance mechanism" (United Nations. 2010). This is discussed in more detail in chapter 6.

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4.4   Localized land accountability at Bulyanhulu Gold Mine

Bulyanhulu Gold Mine, as explained in chapter 3, is the subsidiary company of Barrick Gold Mine's regional company, Acacia Mining. Most land conflicts emerged during inception rather than when the company started operations, as this is an underground mine that did not require surface area for expansion of its extractive operations. Nonetheless, its land grievances would probably have been serious, well documented and highly publicized. This section will discuss the problems at inception, before turning to other land conflicts that followed with the company's establishment.

Sutton Resources was the first owner of this mine to have exploration rights. Small-scale miners resisted its establishment, refusing to vacate the area. In 1995, the company filed a case with the High Court of Tanzania, demanding that the court force the miners' eviction. They lost this case. However, through the Minister of Minerals the government ordered these small-scale miners to vacate the area within a month (Lange 2008: citing Bradbum-Ruster, 2003). Some of them refused and the government, with financial support from the company, used force to evict them (Lange 2008). There were allegations that during the eviction, 52 of the small-scale miners were buried alive by a front-end loader that was filling in these pits (Lange 2008, CAO 2002). With the help of their union, which was strong at that time, the miners started a movement to seek redress. Their struggle attracted the support of a very strong opposition political party that was emerging at that time – the NCCR Mageuzi – as well as investigative journalists and local NGOs, in particular LEAT who later linked with international NGOs, specifically from Canada.

Their campaign focused largely on these deaths (MiningWatch Canada 2001).

Barrick Gold Corp bought the company in 1999 and inherited these conflicts. While Sutton Resources had applied for a loan from the International Finance Corporation (IFC), yet to be granted, Barrick had to apply for political insurance from Multilateral Investment Guarantee Agency (MIGA). The World Bank was therefore involved in this investment. This provided communities with a channel through which they could seek redress.

LEAT and the small-scale miners took their complaints to the MIGA's Compliance Advisor Ombudsman (CAO). In the registered complaints, they accused MIGA of granting insurance to a company that was abusing human rights, that is Barrick Gold Corp (CAO 2002). Barrick and the bank became easy targets. In the case of Barrick, this was probably because of its size and position in the industry, which made it more likely to feel pressure to be seen to be acting responsibly (Hendry 2003). As a result, it was expected to adhere to a number of environmental, social and human rights standards as it claimed to be doing (see Barrick Website[3]). The World Bank had also claimed to be adhering to social responsibility standards when making decisions, including those on investments like these (The World Bank 2001 (revised in 2013)).

LEAT argued that it was more likely that MIGA had not exercised due diligence prior to offering the insurance (CAO 2002). It itemized a total of eight issues and claims:

> Forced eviction and displacement when project sponsor took control of the mine … Ongoing threats of eviction and displacement … Negative impacts on the economy of Bulyanhulu area … Project sponsors' failure to observe laws of Tanzania in their takeover of the Bulyanhulu Mine site … Environmental and social impact assessments inaccurate and inadequate … non-disclosure of material information … MIGA's inadequate due diligence investigations … and MIGA's violation of information disclosure policies. (CAO 2002:15–18)

LEAT argued that hundreds of thousands of community members of Bulyanhulu had been displaced by the illegal and irregular actions of Suttons Resources and the project sponsors with the help "of the Government of Tanzania's security force". The companies and the state were accused of failure or negligence "to plan and provide alternative lands or

settlements or alternative sources of livelihoods for Bulyanhulu com-
plainants". They also pointed to the unfair land compensation in terms
of adequacy, non-payment, delays and "expropriation of mineral rights"
(CAO 2002:15).

Furthermore, LEAT argued that the remaining Bulyanhulu residents
were being threatened with the possibility of forcible eviction. This had
prevented them from developing their land. Their fear might have arisen
from what they had witnessed happening to their neighbours in the past.
For instance, these people had seen the District Commissioner giving
their fellow community members an order to vacate within 12 hours and,
when this time elapsed, police riot squads razed their houses and de-
stroyed crops (Lange 2008 citing Bradburn 2003). Even at the time of
the field visits in 2013 one village, Kijijinambatisa, was still under the
threat of eviction because their village had declared to be inside company
concession land (Interview Leader Kijijinambatisa and FGD Kijijinam-
batisa 5). Initially, they were two villages in this situation but the second
village, Kakola, struggled to resist the move to evict them and succeeded
(FGDs and Interview Leader Kakola).

The claims included the accusation that the company had destabilized
the Bulyanhulu economy by causing unemployment. At the time of the
eviction, the area had a number of small-scale mining pits. According to
the list provided to CAO by the Small-Scale Miners Committee, each pit
employed 70 workers directly. When their dependents were added, the
number rose to as many as 300 people depending on one pit for their
livelihoods (CAO 2002). The total number of those affected is disputed,
however. While CAO argues that there were between 200 and 2000 af-
fected people, the complainants put their estimation at between 20 000
and 600 000 (CAO 2002:5). The CAO's basis for its estimate was that
many small-scale miners had moved to other places prior to the incident
because of a fall in productivity as their limited technology meant they
were unable to extract enough gold. CAO's point of reference was the
estimates made in Amnesty International's report on the grievance (CAO
2002:5). Amnesty International, who had an interest in investigating the
matter, was denied a visa to enter the country (Lange 2008: citing Sim-
beye 2002). LEAT invited international observers who entered the coun-
try in the same year of CAO's visit but the Minister of Home Affairs or-
dered them to leave the country within three days (Lange 2008). The

reason given for this was that they had used tourist visas that did not allow them to conduct investigations (Lange 2008).

In its report responding to these complaints, the CAO refuted the claims that the World Bank Group was responsible for involuntary and unfair compensation for relocation because by the time the land had been taken from the community in 1996 this was no longer the Bank's project. The CAO argued that these claims fell under the state's jurisdiction and the ombudsman had no mandate over the Tanzanian government. The CAO did, however, note that the MIGA could have done something to escape the blame for 1998 even though by that time the project had not yet been insured [there were two incidents: the 1996 eviction of small-scale miners and the forcible eviction of farmers in 1998]. This depended on whether they could have exercised due diligence before granting insurance to Barrick Gold Corp because that would have revealed that this project had made the lives of the residents concerned worse. The CAO's report questioned MIGA's decision to insure Bulyanhulu Gold Mine without paying a visit to the site. The CAO wondered why MIGA had relied on informal communication with IFC staff to pass the project for insurance. IFC had assessed the project when Sutton Resources (the first owner, the junior) was seeking an IFC Loan. According to the CAO, the records kept by IFC might have been outdated as some time had elapsed since it had visited the area. As the CAO put it, "To date no environment or social specialist on contract to MIGA has visited Bulyanhulu" (CAO 2002:10). When the project was bought by Barrick the IFC loan process was stopped the company was not in need of it and that meant that IFC ended its involvement with the project (CAO 2002).

The most serious accusations regarding the death of small-scale miners were discarded on the grounds of weak evidence (CAO 2002). To date, there has never been an investigation conducted by an entity that both parties trusted. LEAT seemed to contest CAO's report (LEAT 2002) and when one reads this report it is clear that they had lost faith in LEAT, questioning its intentions and ethics (CAO 2002). According to the CAO, the government was not interested in commissioning any investigation, arguing that there was no case to investigate (CAO 2002).

It is worth mentioning here that the CAO's report questioned the legitimacy of the Small-Scale Miners Committee (SSMC). This was based on complaints from some of its members to the effect that they were

being forced to pay membership contributions. They noted, however, that they had been very vocal about these grievances. The CAO noted that the SSMC had "exclusive rights to organize", which won them the support of members who were protesting for fair compensation (CAO 2002:6). This suggests that the heterogeneity of members' interests in the issue might have acted to their disadvantage as this is often reported to have hindered the success of an accountability struggle (Garvey and Newell 2005).

There were still some claims during group discussions that the killings had happened, as one group observed: "there are small-scale miners who lost their jobs after the company came here. And there were others who died in their pits" (FGD Bugarama 1). When probed on whether they were aware that there was a report that refuted these claims, this is what they said:

> You know small-scale miners are coming from far places and others did not tell their families where they were going. This makes it difficult to get full information of the names of those who were buried in the mining pits. (FGD Bugarama 1)

The experience of Geita Gold Mine explains this. From time to time, the municipal council buried the bodies of unidentified illegal small-scale miners who had died inside the mine concession. Large numbers of migrants to the area do not register their names with the villages and, as a result, the dead often remain unindentified. It is thus not surprising to find no record of relatives of those who died there, either.

The structure of small-scale miners' jobs in Tanzania may also have contributed to this (Bryceson and Jønsson 2010). Some mining claims owners did not directly engage with extraction but instead received royalties from the lease of their land. Others rented the land from the owners of the claims; these renters did not really engage in the extractive work; this was subcontracted while casual workers with no formal contracts carried out the processing (Bryceson and Jønsson 2010). If the allegations were true then it could be that these victims were casual workers. It is very possible that their full names were unknown because there were no formal contracts and there was a tendency to use nicknames rather than the real names of menial workers.

The CAO did not dismiss all the allegations directed at the MIGA. Their investigation confirmed the unfairness of the compensation as they

noted that members who had vacated the mining company land in 1998 were "living in poor conditions" (CAO 2002:8). On the other hand, the CAO was not sure whether or to what extent MIGA could have taken the responsibility for advising Barrick to track those who had been relocated and to try to resolve their grievances, considering that it was a new project owner (CAO 2002). It seems that at that time the World Bank Group's policy on land issues was not clear, especially regarding forcible relocation and its responsibility as investors. The CAO also revealed that through its visit to the project it had learnt that company officials were unaware of the IFC's involuntary resettlement policy (CAO 2002). The World Bank has revised its policy for involuntary resettlement and the latest revision, that of 2013, deals with these ambiguities (The World Bank 2001, revised in 2013). For instance, this revised version speaks of where and when cash should and should not be used as a mode of compensation, which is expected to reduce some of these conflicts.

Findings from this case are illustrative of the role of the state, the gold-mining industry's structure of juniors *vs* majors, the community and specifically local champions, NGOs and investors, as described in chapters 2 and 3. The legal provision that allowed the compulsory release of land when the state required it limited the community's power to negotiate with the company because their consent became less important. The state, as owner of the land and actively involved in land transfers to investors, could not support efforts by the community and NGOs to seek redress, as there was a likelihood of its being implicated. The findings also reveal that juniors were not only responsible for many of the land-related conflicts, but also that their short-term tenure and goals allowed them to escape the allegations, which were instead transferred to new owners who were larger companies. This reduced the chances of the establishment of localised land accountability. Even when the investor was aware of this structural issue, it was difficult to establish the larger company's liability.

The investor's (MIGA) attention may have been an enabling factor for the community. Even when the company was not found liable, this was a form of accountability as the company was forced to explain its actions under the threat of consequences if it was found liable (Bovens 2007).

There are similarities between Bulyanhulu and North Mara communities in the way they succeeded in extracting localised social accountabil-

ity. Well-organized small-scale miners led both communities and this was an enabling factor, as earlier scholars have pointed out: communities' associations add to their strength in collective actions (Wils and Helmsing 2001). However, Bulyanhulu community, with a higher level of in-migration and out-migration could not maintain its activeness after the displacement of small-scale miners, possible because these miners were mainly in-migrants who might have left the area in search of new land from which to extract gold (Bryceson and Jønsson 2010). North Mara had relatively fewer in-migrants (exact figures on in-migration could not be found; this is based on estimations by inhabitants of the area and company staff).

Despite the fact that Bulyanhulu's initiative to file complaints to the CAO failed, these complaints covered the entire community's concerns, not just those of small-scale miners who appeared to be the main champions for this search for justice. Linking this to what has been established in the literature (Wils and Helmsing 2001), the involvement of NGOs as third party organizations enabled this association to view the problem inclusively, allowing them to include the concerns of the community as a whole, and not just the exclusive interests of small-scale miners. They included farmers' concerns in their submitted complaints. The association of small-scale miners mobilized not only numbers (Wils and Helmsing 2001) but also money from its members' contributions for this collective action.

Currently there are still conflicts on the boundaries between company and community land, specifically with small-scale miners. During an interview, a village leader of Kakola complained that whenever small-scale miners discovered an area with gold the company would declare that that was their land, even when it was outside their fence. These land demarcation ambiguities may have arisen from the fact that the company was an underground mine; villagers were therefore unable to tell how far it extended.

A further land conflict arose from the proposal to relocate Kakola village. This village is the business centre of Bulyanhulu where many facilities and services – from the central bus station, guesthouses and shops to the open market – are located. It is a relatively high-density area, like any other township. A few years ago, the company planned to clear this area for its own operations. It is very possible that the company had no plans to compensate Kakola residents, as the law did not recognize them as the

legal occupants of the land. Unlike other villages around the mine, Kakola was the only one that showed it could resist company and government decisions that affected its inhabitants' livelihoods. The community successfully resisted this move and was able to forge other developmental agreements with the company, as will be discussed in chapter 7.

This was possible because the community was well organized. Its leader valued and did not underestimate the power of the residents. In interviews, the village leader spoke as a less authoritative leader, a leader who not only got his power from his constituents but who also depended on them to make the collective action successful. This is very similar to participatory community management (Wils and Helmsing 2001), as explained in chapter 2. For instance, this leader pointed out that

> Residents here don't just join protests; they reason and join only where it is logical for them to do so. … this is different from North Mara community who would just join protests only because their leader said so.

Although this leader was critical about North Mara, the case discussed above, I will argue that not questioning is not a weakness. The reason they had for this was more likely the trust they had in their leaders, especially their traditional leaders. There was also a well-established tradition in the community (clans) of intolerance towards betrayals (Interviews with AMREF official who worked there for a number of years). The Bulyanhulu case was therefore a more democratic type of participation in collective action while North Mara's case was based on non-democratic movements. Wils and Helmsing (2001) observed these variations when they studied communities and development projects across countries and they did not claim one to be superior to the other. -This case reveals that it depends on the situation: this is particularly true if one considers the third case, Geita, where there were no such authoritative leaders, but the community was still unable to organize for collective action, a localised social accountability movement. They lacked other enabling factors such as strong community associations.

Kakola's resistance strategies included frequent violent protests and blockages of roads to the company from time to time. These actions had an impact as the company employees' quarters were in Bugarama and a village called Ilogi, which were a distance from the company premises. The company used its buses to transport workers to and from the offices. These forms of resistance pressured the company to listen to Kakola

residents because its production was disrupted, which meant financial loss. During interviews, one village leader praised this confrontational strategy as the most effective way of focusing the attention of company management and the government on their complaints. One group described how this worked:

It is until when we endanger our lives, by rallying in protest … if some of us will be jailed if some of us will be affected by tear gases or live bullets; it is okay. That is when you see them alert [The State and the company]. Do you know why? When community protest their production stops. They [Bulyanhulu Gold Mine] will start making phone calls to the government and to the company headquarters. Then they will be directed to give us what we were demanding for. … Headquarters must know because production has stopped … roads are shut. When a company employee is seen going to work he/she is beaten … they are not different from the government [the company], responding when there is emergencies. (Kakola 4)

Explaining why they opted for this resistance strategy, a village leader answered that they believed in "people's power", which was a slogan of a popular opposition political party CHADEMA. This party has a membership made up of the younger generation who believe in change. This area, as is the case in many townships, attracted a number of youthful residents. Good numbers of them (including some *vitongoji* leaders) were supporters of CHADEMA. As a result, Kakola was very different from its neighbouring villages as they were relatively passive when it came to promoting the claims they made to the company. On the other hand, the choice of violence rather than the courts might have been the result of their experience of the State ignoring legal decisions (refer to earlier case on small-scale miners' eviction, LEAT and CAO's reports), the lengthy process and the costs. It was difficult to find financial resources as small-scale mining had dwindled since the evictions began. This case is also illustrative of the threat of consequences (Bovens 2007) arising from the politicisation of community grievances (refer to figure 2.1 in chapter 2).

Neighbouring Kakola village was a village called Bugarama. This community also had land disputes with the company but the company did not respond as it had with Kakola. Around the end of 2012, it was reported in the newspapers and other media that Barrick Gold Corp (the corporate parent) was negotiating with a Chinese state-owned firm to sell African Barrick Gold (this was the African regional business portfolio

that now changed the name to Acacia Mining). This meant the sale of its four mines in Tanzania, including North Mara Gold Mine and Bulyanhulu Gold Mine. This was unwelcome news, not only to the government[4] but also to the host village, Bugarama. This village had high expectations from the company concerning its social spending in the area; but these were yet to be fulfilled. This village was approached by the company when it started operations, requesting their land to build staff quarters. The company promised to provide the village with a number of social services. These promises were not fulfilled (interview Leader Bugarama village). For years, the villagers struggled to enforce the agreement with the company but nothing came of this until they heard that the company was to be sold to a Chinese corporate parent. They observed Chinese visiting the area, surveying it and asking villagers questions (Interview Leader Bugarama Village). The villagers decided that if Bulyanhulu Gold Mine was to be sold before they had received the said benefits, they would demand their village land back; the land that they had given freely. They were very angry, believing that the company should have told them of the sale; instead, they heard about it from informal sources and the media (Interview Village Leader). However, the company did not grant them audience when they requested it; they tried to involve the District Commissioner, but their problem was never resolved (Interview Leader Bugarama Village).

These complainants had no legal support: once the land had been given to an investor, it ceased to be village property, even after the investors had left (The URT 2010). The reason for this was that the derivative rights granted to investors are not transferable; the land ownership must revert to the state who will decide on its use if the investor for any reason no longer needs it. This community believed that they had a claim to the land given to the company, but the villagers' statements did not threaten the company; ; it knew that the law would protect it and that there was no likelihood of informal consequences because the villagers appeared unlikely to use confrontational strategies, unlike their neighbour Katoma. There was therefore no localised social accountability.

Many Tanzanians are unaware of land policy and law, as research on large-scale agricultural investments reveals (Cotula and Vermeulen 2009, Isaksson and Sigte nd). One might ask why this ignorance when investors, government officials and politicians either consulted or talked to host villages prior the commencement of the project. One possible an-

swer is these groups were not telling the truth; the truth might have caused the villages to refuse to part with their land so easily. Other studies have also found a tendency to overstate benefits and understate costs of these large-scale projects when selling the idea to host communities (German et al. 2013). In fact, these people were manipulative, influencing these villagers' decisions, as has been observed elsewhere in Tanzania (Isaksson and Sigte nd). For example, one group revealed,

The government promoted the company establishment. They told us that we will get an international hospital, our houses will be supplied with tap water, all roads will be tarmac, we will have laboratories in primary schools … Ministers said this, District Commissioners said this … we started waiting in vain. Since 2000 when the mine was officially opened, we are still using dusty roads. (Kakola 4)

These empty promises were similar to those made in the North Mara case. As reported earlier, the ward leader (councillor), who decided to question the then president's persuasive speech to convince them to allow the company to take their land, was jailed.

The deal to sell Bulyanhulu and the other three mines did not materialize; the mine remains the property of Barrick Gold Corp. This is not because of community resistance, although this community believed that it had contributed to the Chinese decision not to buy the company. The community thought that the Chinese had realized that Barrick had a number of community grievances to resolve and that this had made them change their minds. Although the reason the sale did not go through was not made public, it is unlikely that it was for the reasons the community gave. It is uncommon for a company to refuse to buy another company because it has a poor relationship with its host community. This is especially true when the company originates from a home country that has no culture of pressuring its firms abroad to adopt this form of responsibility.

The failure of this village could be explained by the strategy it used, that is, formal strategies for localised social accountability extraction, which rarely work for the poor (Garvey and Newell 2005). Bugarama village argued that the company had made promises to provide these services and that this had convinced them to give away their village land. They had no formal agreement but only the written minutes of the meetings they had had with the company (as explained by the village leader). It could be that the company did this (if indeed it did) to extract the

community's consent, never intending to fulfil its promises. The village leader also pointed out that the company later denied making any such promises. The District Commissioner also urged the company to fulfil its promises (interview village leader Bugarama). To date, Bugarama village is yet to receive these services, and it is unlikely that it ever will, as the law is not in its favour.

I wanted to know the views of the North Mara Gold Mine community relations manager on why Bulyanhulu residents, especially those in Bugarama village seemed to have been treated unfairly in terms of benefits compared to the North Mara Community, when these two companies were owned by one corporate parent, Barrick Gold Corp. I asked him why the community around the mine was receiving social services under written village benefit and impact agreements (VBIAs), when the community around Bulyanhulu Gold Mine was not. This manager was of the opinion that providing social services to Bulyanhulu community in general should not be regarded as an obligation to the company, as it had been in the case of North Mara community. He argued that most residents of Bulyanhulu arrived after the company; the company did not find them there as they had at North Mara; they were speculators. His argument differed from information gathered from the community and CAO. In the focus groups, it was revealed that despite the fact that some of this area's residents were in-migrants, it was not a forest when the company was established. It may have been underpopulated by that time but it was not a forest. It is true that unlike North Mara, which was a relatively closed community, this area attracted new in-migrants following this company's big investment. These migrants sought employment and business opportunities (FGDs). This might have increased the number of people who were new to the area. However, all these villages existed prior to the large-scale mining investment, as is clear from the inception grievances already mentioned. The only difference between North Mara and Bulyanhulu was that while small-scale miners in North Mara were recognized as being "legal" and therefore formal, small-scale miners of Bulyanhulu were in most cases informal; they had no government mining licences. Even the CAO report mentioned the unfair treatment of landowners during evictions (CAO 2002). Farmers were less organized and poorer than the small-scale miners of Bulyanhulu who tried to organize for resistance during the establishment of the mine, however. This is the most likely reason for Barrick spending very little on the Bulyanhulu

community; the community members were unable to manage their collective affairs (Wils and Helmsing 2001) and they had no resources to hire the services of a good lawyer or strategies for the poor, such as demonstrations and blockades (Garvey and Newell 2005). The small-scale miners' union was lacked power as most miners had been evicted to pave the way for this large mine. There is a link between how much a company spends and violent conflict, as will be discussed in detail in chapters 6 and 7 (Trebeck 2007). Violence as a strategy, as with any other collective action, needs community organization and management (Wils and Helmsing 2001), which was generally weaker in Bulyanhulu than in North Mara.

The argument that it mattered whether or not the mine found a community in place when it started operations was probably intended to justify a minimum company responsibility to the community (Kapelus 2002). Bulyanhulu community in general received fewer mine benefits than North Mara or Buzwagi Gold Mine (both owned by Barrick), despite its once being the major producer of the four companies belonging to African Barrick Gold. The chapter on company social spending will discuss this delving more deeply into the differences in the three companies' community social spending over time.

The failure to exert much pressure on the company for localised social accountability is also attributed to alleged corruption on the part of some village leaders. In one of the interviews, a village leader revealed:

Barrick has no formal communication with villages here. All communications occur inside the company or with the District Offices. We are just given feedback on what had transpired. We don't even have a company community office inside the village. When the company just started operations it was possible to call them to attend village meetings and they would come. But later this stopped. There is an abandoned market where sometimes they call leaders alone for the meeting. But they decide who to invite who to leave out. And you find some of the leaders were bought out and they go there for personal interests. That is why it is normal to find that a leader don't give any meaningful feedback about the meeting to the villagers [Barrick here meant the subsidiary Bulynhulu Gold Mine]. (One Village Leader)

This divisive behaviour might be partly responsible for this community's failure to extract localised social accountability: the company could use this to divide and rule. Rifkin (1986), when discussing community

projects, refers to community leaders' private gains as among the obstacles facing collective developments. With the few who benefited, the company portrayed itself as responsible through their CSR reports, using them as a shining example. The villages that resorted to violence were those that had been excluded from these meetings, but they received a better response than those that allegedly had corrupt leaders.

The company was not obliged to provide information on community claims and complaints in this case either. This was also the result of legitimacy issues. The community had no land ownership rights, which meant that their position as a forum was contested. The intervention by investors could not guarantee that the company would be accountable to communities. This was similar to the weaknesses of litigation, of shutting out local struggles while formal means were in many cases not in favour of the poor.

The case of Bulyanhulu provides an example how when community action tails off their claims becomes less important to the company and to those who might have been able to assist the community in localised social accountability struggles. It also illustrates that community mobility (in and out-migration) is a hindrance to localised social accountability. It shows too how the state (particularly the practices of the executive branch and its disrespect for the rule of law) can hinder localised social accountability. Finally, this case is an example of the role of external actors in localised social accountability. The Multilateral Investment Guarantee Agency (MIGA) of the World Bank was able to act in tandem with the community in posing a threat of consequences to the company that was being pushed to provide localised social accountability. The CAO's actions are referred to in the literature as private monitoring of corporations by those with financial (Saunders 2014) and reputational interests in a company. This push followed the success of the community in attracting the attention of NGOs as another external actor (Garvey and Newell 2005) who made possible the use of strategies the community could not otherwise have afforded (Newell 2005), such as filing a complaint to the CAO. The NGOs also filed a further complaint to the Tanzanian Commission for Human Rights and Good Governance. The case of Bulyanhulu also reveals the role of land regulations and the law. The state, as the owner of land, takes land from the community, gives it to a private investor and has to compensate fairly. The ineffective implementation of this law saw community members left with complaints of unfair treat-

ment during these land transfers. More importantly, it provides more
evidence of how variations in a community's ability to exercise its agency
influence a company's responsiveness. With the same structural barriers,
one community (Kakola) was able to forge a company response through
violent resistance.

4.5   Discussion

Local social accountability on the land of gold-mining companies in
Tanzania seems difficult to achieve. Communities have applied diverse
strategies to try to establish this accountability, but in many cases, this
has not worked. There have been a number of reasons for this, as ex-
plained below.

4.5.1   The state as an obstacle

The state is supposed to facilitate a community's search for justice by
providing the possibility of accessing a number of channels including the
courts of law. The state is the custodian of land in Tanzania and, accord-
ing to land law, is the owner. This was intended to solve problems asso-
ciated with private land ownership. However, when a large-scale private
investor needed the land, the state's role became one of facilitator of
quick land transfers, at the expense of communities' interests. The state,
through the police, prohibited communities from confronting mining
companies. On the other hand, other strategies that could have been
used by communities were hindered by the protective nature of inves-
tors' interests by the state. Many communities across cases were afraid by
this but a few did engage in confrontation with the police. The case of
North Mara illustrates this. This community resisted the company's deci-
sions by using violence. Despite injury and loss of life, their resistance
yielded some response from the company. Approaching the courts was
not an option either because the law was not in favour of communities
in the matter of land issues because they were occupiers not owners.
Those who tried to apply litigation did not win their cases, for example
in Sophiatown.

Underlying this is a conflict of interests. Any government is striving
for economic development. This makes less inclined to support re-
sistance that could stop a development project such as these large-scale
mining projects (Trebeck 2008). This is especially true of developing

countries where pressure for development is not only much greater but also where this development often comes from the exploitation of natural resources (Bebbington et al. 2008). This results in governments choosing between protecting companies' investments and citizens' rights. In many cases, they choose to protect the interests of companies (Bebbington et al. 2008), as was seen in the cases discussed here.

However, the structure of land ownership could not be held responsible for all problems; some were also the result of the agency of public officials. Where communities agreed to vacate the land, their money was squandered or they complained of receiving inadequate amounts. Some of these complaints were directly linked to these officials. These "problems of many hands" (Bovens 2007) made the extraction of localised social accountability more difficult. Everyone was responsible, thus it was difficult for communities to call companies to account. This was particularly so in the case of Sophiatown at Geita Gold Mine. The community was forced to live in tents for more than eight years because public officials had stolen the money earmarked for their compensation. Threats to the company's reputation resulted in it assuming responsibility but only after many years.

The fact that the state can hinder (or rather influence) the strategies communities use was observed by early scholars (Trebeck 2007, Garvey and Newell 2005). Findings from this chapter support Newell's argument that when other formal strategies prove difficult or impossible a community opts for "informal" and sometimes "illegal" strategies that work by causing financial or reputational damage to companies (2005: 547). Trebeck (2008) supports the argument that links responsiveness to financial loss. Although these strategies do not always guarantee a response from the company that amounts to behavioural change, they help to register a community's grievances (Newell 2005). In the cases in this study, community pressure was stronger where there were links with more powerful stakeholders such as NGOs and where they had the attention of investors abroad.

4.5.2 NGO support

The role of NGOs in land issues is seen where communities were revealed to be actively resisting what they perceived as unjust decisions on the terms of their relocation. Communities that were afraid to take action

(because of fear of the state) did not gain much support. North Mara was a community that actively and explicitly resisted what they perceived to be unfair. The other two cases, the Geita and Bulyanhulu communities, did not actively resist this in any meaningful way. North Mara received more attention from the media and other stakeholders because NGOs assisted in amplifying what they initiated. They succeeded in establishing an institutionalized relationship with the company where the company had to enter into a binding agreement on what the community would receive in compensation for the impact of the company's operations. They received agreement on a one percent royalty and other written and legally enforceable agreements on social service provision, as will be discussed in detail in chapter 7. Although earlier scholars have observed that third party organizations like NGOs can empower communities to manage their collective affairs (Wils and Helmsing 2001), the cases above show that they did not do this where the situation was seen to be relatively calm. In all likelihood, they feared implication in the fuelling of conflicts.

4.5.3   The community

It takes a well-organized community (Wils and Helmsing 2001) to succeed in collective action such as localised land accountability. North Mara was not the only community that took action. What made it different was that it could sustain its activities. This persistence was missing from communities like Bulyanhulu, which showed the ability to influence a company's responsiveness when the company was just established, but lost its power after this. The strength of this community was attributed to the presence of a strong small-scale miners' organization. These miners were mostly in-migrants; when their business declined and some of them migrated to other places or turned to other businesses a few years after the establishment of the large mine the community weakened.

It took more than 10 years for North Mara to receive recognition as a legitimate forum to which the company would account, mainly by means of the VBIAs. Actions by other communities were easily shut down by the police or were just fragmented once-off incidents. For example, Kakola and Bugarama were both Bulyanhulu Gold communities but did not act together as one. North Mara villages had their differences but they could manage to agree when pushing for their common goal; that is,

to persuade the company to respond to their land grievances that cut across villages. This made it easier for NGOs to intervene.

In searching for alternatives, some community members opted for a strategy of speculation. They invited rich people to invest in their land so that they could claim more compensation from companies. This issue of speculation is not very different from what is argued by Peters, that land modernization as championed by the World Bank has made communal and customary land ownership inferior to statutory and individualistic registration. The bank wrongly argues that customary and communal land ownership is insecure (Peters 2004). However, this modernization has destroyed the negotiability and flexibility offered by the communal land system and has created classes, as the poor could no longer negotiate (Peters 2004). What remained, as Peters argues, is the system of winners and losers. "Agency and social manoeuvres" (Peters 2004: 271) is what was witnessed in the case of North Mara and other areas where communities invited speculators in an effort to ensure that they would get what they considered rightfully theirs. However, these communities did not always consider speculation to be a fair solution as they saw these outsiders (who were the elite) benefitting more; but it was one way of extracting more than they would otherwise have got from the mining companies.

The communities who were more successful (North Mara villages and Kakola village in Bulyanhulu) had an effective leadership; one was democratic and the other somewhat authoritarian. Leadership is an important aspect when it comes to collective action (Wils and Helmsing 2001). With able leadership, these communities could navigate a number of obstacles, as illustrated by these cases. They could organize protests in circumstances where the state had protected companies with brute force, and where other communities had experienced betrayals when they called for similar protests.

4.5.4 Junior companies

These are small companies in the industry. They experience less pressure to adhere to social responsibility standards when compared to large companies. Their goals were usually short term as they often sold the mines on to larger companies. They bred many conflicts that were later

inherited by the large companies in question. This was the case of North Mara Gold Mine and Bulyanhulu Gold Mine.

4.6   Conclusion

This chapter explored and analysed the interaction of three companies and communities on the issue of land. It applied the localised social accountability framework. Using this framework, it explored the various actors, their actions and the impact on company-community accountability relations. It demonstrated that the state was an influential actor whose actions hindered the possibility of the establishment of this relationship.

The analysis demonstrated that localised land accountability is more likely to be established where locals can take the lead. Communities that could not strive to resist situations where the state deployed police to guard the mines did not pose a threat to companies and could not attract the involvement of external actors. The analysis also showed that state ownership of land denies communities the power to negotiate for better terms with companies because they cannot legally claim to be legitimate forums in this matter. Had it been otherwise, the communities would not have had to use strategies that endangered their lives.

Of the three cases, localised social accountability could be established in only one case, and partially (some form of periodic responsiveness) in another. This development took a number of years of community struggle. The remaining cases revealed that companies did not have a relationship with communities that would pass the accountability test. The state was on the side of the companies. Communities had to confront the state that protected these investments. Communities who were relatively inactive and who could not forge alliances with external actors, could not successfully resist this perceived injustice (in the way land was transferred to companies). Those who could ally themselves with NGOs brought their issues to the attention of the media and of actors abroad, which posed a reputational and financial threat to the companies concerned.

Notes

[1] He was responding to questions at a Policy Forum Breakfast Debate at New African Hotel that I was attendeding. This was on 27 February 2015.

[2] IRIN is a "humanitarian news and analysis" service of the UN office for the Coordination of Humanitarian Affairs. It is "spinning off from the United Nations to become an independent, non-profit media organization". Their reports across the globe are published on their website at http://newirin.irinnews.org/

[3] http://www.barrick.com/responsibility/community/default.aspx

[4]   http://www.bloomberg.com/news/2012-08-29/tanzania-will-levy-capital-gains-tax-on-proposed-barrick-sale.html

Localised environmental pollution accountability of gold-mining companies

In chapter 4, we saw how local land accountability was complicated by the involvement of many actors, unsupportive land laws and regulations, and limited strategies that communities could use to extract accountability. In many cases, companies that were supposedly accountable had no direct links to a community's grievances because the state was the legal owner of the land. While communities were recognized legally as the occupants of the land, the state was able to take any land with no or little resistance from communities and to give this to these companies. The state was thus accountable, not these companies when communities complained. When a community targeted a company its chances of succeeding were minimal; thus these communities often turned to physical violence.

This chapter considers gold mining and environmental issues. These affect communities because they are directly associated with mining operations. Mining is by its nature destructive to the environment (Kirsch 2010). In this study, the situation is somewhat different as it was mostly companies' (in)action that could be directly linked to this form of grievance. Other actors' were connected in as far as their (in)action limited or facilitated these companies' environmental irresponsibilities. Environmental conflicts have been studied using approaches such as social movements (Collins 2009, Bebbington et al. 2008) and environmental justice (Urkidi and Walter 2011, Martinez-Alier 2001, Makene et al. 2012, Kuehn 2000). Both approaches recognize the fact that environmental conflicts to do with mining are local, because they affect host communities directly[1] (Özkaynak et al. 2015).

Social movement theorists study how communities succeed or fail to mobilize resistance to the establishment of mining projects' before they

commence business or certain malpractices during the operational stages (Bebbington et al. 2008). There are a number of conceptions of social movement theory. The resource mobilization theory of social movement, for example, focuses on studying what motivates individuals to take collective action against perceived unfairness (Kendall 2012). On the other hand, environmental justice studies how communities have been faring in the face of mining projects in terms of procedural, distributive, corrective and social justice (Kuehn 2000). Procedural justice deals with whether and how host communities participate in investment decisions. Distributive justice deals with the cost and benefits of mining investments to host communities, specifically whether the benefits these communities receive from mining production are proportional to the impact they suffer from mining externalities such as environmental pollution. Corrective justice, on the other hand, is concerned with the possibility of achieving fair judgement and redress in cases where there is procedural, distributive and/or social injustice. Social justice deals with societal inequalities caused by social class. It demands " … first, that the members of every class have enough resources and enough power to live as befits human beings, and second, that the privileged classes, whoever they are, be accountable to the wider society for the way they use their advantages"(Rodes 1996, cited in Kuehn 2000: 10698).

The two theories have some commonalities. They both focus on the community members as victims and less on their interaction with the companies. For this reason, and as observed by Kemp et al., "research data on mines and community conflict are typically collected from a community standpoint, often to illuminate sub-altern understandings of resource development and the causes and contributing factors of local-level conflict" (Kemp et al. 2011: 95). Social movement focuses largely on what makes collective action possible or impossible (Bebbington et al. 2008), whereas social justice mainly describes and explains the injustices communities encounter (Makene et al. 2012, Kuehn 2000); hence both view a problem from the community standpoint. This chapter builds on these two theories by adding a focus on the company in order to study the relation and interaction between community and company. The localised social accountability approach blends the two theories with accountability concepts to create an interactive approach. Localised social accountability captures the dynamisms of both communities (perceived injustices and their struggles to seek redress) and companies that influ-

ence a company's form of responsiveness. It also looks at the underlying factors that allow this to happen (Lindsay 2012, Garvey and Newell 2005). It moves from identifying injustices (the community's claims) to studying the strategies communities use to demand that a company takes responsibility and to how companies respond or not to these claims, and why. This chapter's focus on environmental grievances does not mean to ignore the fact that, for poor communities, the source of grievance might not be environmental degradation per se but the perception of injustice in the distribution of benefits that are usually enjoyed somewhere else while communities bear the burden of companies' externalities (Walton and Barnett 2007, Laplante and Spears 2008). This is the essence of the environmental justice movement (Kuehn 2000), and this is why in chapter 7 companies' social spending is studied as their response to major community claims regarding land and environmental injustices.

This chapter presents an analysis of two cases, North Mara Mine and Geita Gold Mine. These are open pit mines. The third case, Bulyanhulu Gold Mine is not discussed here as it has fewer records of environmental complaints from communities because it is an underground mine. However, it is not immune to environmental regulators who have the capacity to see beyond what is visible to communities. As in the other two cases, it has a record of regulatory sanctions for non-compliance with the country's environmental standards (The Citizen Correspondent 2013). Its environmental impact on communities is not easy to articulate and, because of this information asymmetry that leads to attribution challenges, it is unusual to see them demanding local accountability. When it comes to open-pit mines, however, these generally raise more issues and face greater demands for environmental accountability because their environmental impacts are more visible. The localised social accountability framework is used to answer this thesis' second research question; "How and to what extent were communities around gold mines in Tanzania (un)successful in extracting localised environmental accountability from gold mining companies?" Borrowing from Bovens (2010), this chapter answers the following specific accountability mechanism questions: firstly, whether or not the "actor [company] is obliged to provide information about his or her conduct to the forum [community]", whether or not "the forum can engage in questioning and debate" and whether or not "the judgement of the forum has informal or formal consequences for the actor" (Bovens 2010: 960). The second set of questions concern

how accountability mechanisms operate: "Does the forum receive sufficient and timely information from the actor? Does the forum question the actor and does this imply standards and positive or negative appraisals? Is the actor formally or informally, directly or indirectly sanctioned or rewarded?" The last set of questions concerns "so what": "What is the effect of the mechanisms or of the interplay of various mechanisms? Do the mechanisms induce democratic control; do they provide checks and balances that can help prevent organizational deviance?.Do they enhance learning and more effective governance, or do the mechanisms lead to defensive routines, to shirking and to administrative overloads?"(Bovens 2010: 960).

This chapter relies a great deal on information found on company and NGO websites. The empirical data were thin and in some cases, unverifiable. As local social accountability is about interaction, listing only residents' complaints was not considered sufficiently substantive of the framework, which focuses largely on interaction. This chapter is nonetheless important as it brings together existing approaches that focus on one actor in a more interactive approach, the localised social accountability framework. The section that follows will set the stage for the application of the localised social accountability framework to environmental conflicts.

5.1 Localised social accountability framework as applied to environmental pollution

The mining industry is inherently destructive to the environment (Kirsch 2010), which makes pollution claims hit directly at their operations and their very existence. The redefinition of sustainability in a series of UN conferences, in particular the Earth Summit of 1992, which harmonized the conflict between the environment and development, enabled these companies to present themselves as promoting sustainable development (Kirsch 2010). "The contributions made by particular mining projects to sustainable development are presented in terms of royalties and taxes that can be used to support development and business opportunities projected to continue after mine closure"(Crook 2004, cited in Kirsch 2010: 90). It is for this reason that social spending in different forms (as will be discussed in chapter 7) is taken to mean the agreed price that a company has to pay a community for its impact (Esteves

2008). Regardless of how this environmental pollution is perceived, communities often complain about it. This chapter studies the interaction of companies and communities regarding these complaints, the means communities use to seek accountability and the responsiveness of the companies.

Localised social accountability as defined earlier is a relationship between a subsidiary company and a host community through which a company is compelled to explain or justify its (in)action in response to a community, with the possibility of facing consequences in the form of sanctions or material compensation (modified from Bovens 2007). The existence of accountability in a relationship is measured by three indicators: account, debate and consequences (Bovens 2010). Taking accountability as a mechanism, this must be further unpacked in order to identify what operates under the surface that causes the situation to be the way it is. That is, finding the reasons for the existence of an (un)accountability relationship instead of ending with accusations or praise of accountability.

There are a number of actors whose actions influence a community's chances of extracting localised environmental accountability. These include NGOs, environmental regulatory authorities, and the media (Parmentier 1999, Fox and Brown 1998). Company responsiveness, on the other hand, can be influenced by the state, corporate parents, and investors (Wettstein 2011, Oetzel et al. 2007, Campbell et al. 1995). The section that follows turns to the illustrative cases. The communities' (in)ability to exercise their agency, including the kind of leadership they have is also a contributing factor in their success or failure (Wils and Helmsing 2001), as discussed in detail in chapter 2.

5.2   Localised environmental pollution accountability at Geita Gold Mine

The community of Geita lodged a number of complaints that its operations were polluting their environment. These claims were around land, air, water and noise pollution. Not all claims received attention from the company or other important entities that could have influenced local social accountability, except for one master's thesis from the University of Dar es Salaam. This report noted that serious pollution of arable land had occurred in Nyakabale. This is one of the 15 villages hosting

the mine. The report linked this pollution to company extractive activities. This case called the company to account. This section opens with this case and then move to other cases in which the company did not account. These are cases of air pollution, the decline in Nungwe fishermen's harvest, and cracks in houses, especially those in the nearest villages such as Katoma. It will then compare these cases in an attempt to identify the reasons for the existence or absence of accountability.

In 2008, a master's student from the University of Dar es Salaam conducted a laboratory tests on soil from Nyakabale. He took soil samples from the lower region of the village, where the mine disposes of its waste (Framtiden i våre hender 2010). He found high levels of heavy metals in this village land. Nyakabale residents also complained that their health was being affected, citing ailments such as rashes and respiratory problems (Framtiden i våre hender 2010). Although this report did not lead to any genuine local activist movements, it made headlines in the local news and media in Norway (AngloGold Ashanti 2008a). This attracted the attention of more powerful NGO stakeholders including Norwatch, Norwegian Church Aid and The Future in our hands (FIOH)[2]. These Norwegian organizations had an interest in this company because the Norwegian Government Pension Fund was among key institutional investors in AngloGold Ashanti (the corporate parent) (Framtiden i våre hender 2010). This posed a threat to the company. In interviews with a senior company official, it became evident that the company was facing the threat of consequences from their Norwegian stakeholders. The company knew that it could not ignore this as the actions of these investors could affect company's financial performance. When interviewed by the researcher, one company manager expressed this concern when he said, "*we decided to call the student and his supervisor to discuss the report, but he refused*". This is similar to the Sophiatown case discussed in chapter 4, where international publications concerned the company to such an extent that it assumed the responsibility of re-compensating, even though they insisted they were not liable (see chapter 4).

The company responded with the 2008 Country [Tanzania] CSR report, citing a baseline study that they had done prior to commencing mining operations and that had shown the high level of pollution; in other words, they were not responsible. This area has a history of mining operations during the colonial era, around the 1930s. The company ar-

gued that it was more likely that these early mining operations were responsible for the current land pollution. Laboratory testing of samples from different points gave results that were inconsistent, with pollution levels not indicated as alarming (AngloGold Ashanti 2008b). However, the company promised to commission a consultant to assess the student's thesis. SRK Consulting was contracted to review this (Framtiden i våre hender 2010). Among other tasks, the consultant was to investigate the attribution issue: if there was pollution, who was responsible (AngloGold Ashanti 2008b)? The consultant's report cleared the company of all responsibility (Framtiden i våre hender 2010).

As a result of what seemed to be dissatisfaction with this study's results, Norwegian Church Aid decided to commission another study two years later (Framtiden i våre hender 2010). This study found a lower level of pollution than observed in the student's dissertation, although the level was high enough to raise concerns. The institution that carried out this research, the Norwegian University of Life Science, suggested a more thorough study was needed (Framtiden i våre hender 2010).

Responding to these differences, the student who had written the dissertation argued that these findings were the result of a number of methodological differences, including the time and the place from which soil samples had been taken (Framtiden i våre hender 2010). The student's research was conducted in 2007, while the consultant RSK did its investigation in 2008 and the study commissioned by Norwegian Church Aid was carried out in 2010. The conditions had more than likely changed with time. But the Norwegian University of Life Science's scientist (Alma) who carried out Church Aid's research noted that "… our results are not completely without concern" (Framtiden i våre hender 2010). For instance, their research revealed that some results showed a "higher level of the extremely toxic element arsenic" not found anywhere at Geita except near the mine, specifically "in the lower region of the mine's waste disposal site", which suggested that there could have been a leakage from the tailings dam (Framtiden i våre hender 2010). In addition to Norwegian Church Aid's research and Norwatch's visitation to the site, FIOH (Framtiden i våre hender) published a critical review on its website of these nuanced results. However, to date and after almost eight years, no study with uncontested results has been conducted. This seems to suggest that the issue has been brushed under the carpet.

Geita Gold Mine, and of course its parent AngloGold Ashanti, had reasons to be concerned about the publicity this report created in Norway. The Norwegian Government Pension Fund, one of the world's largest investments fund, is among those institutional investors who follow socially responsible investment (SRI) guidelines in making investment decisions. SRI takes into account "people and planet" when making investment decisions (Boatright 1999, cited in Sievänen et al. 2013: 139). Through its ethics committee it has divested its stock shares and blacklisted a number of companies on human rights abuse and environmental grounds. Barrick Gold Corp, for example, was among the companies that were excluded on 8 November 2008 because of what was reported as "severe" environmental damage (Ministry of Finance Norway. 2014) in Papua New Guinea (MiningWatch Canada. 2009). However, the fund provides for a "second chance" and the possibility of reinstatement when they see that the company has changed and become more responsible.

The fund's SRI performance in societal areas was up until 2014 monitored by the fund's Council on Ethics that would then advise the country's Ministry of Finance to take action. In 2014, this duty was transferred to Norges Bank, which also manages this sovereign wealth fund that, unlike other pension funds, receives its money from the country's oil (Business and Human Rights Resource Centre. 2014, Fixsen. 2014). This fund's attention on allegations of the company's environmental pollution could not be taken lightly. This posed a threat to company shares because the divestment could have led to a fall in share prices (Sparkes and Cowton 2004). The Norwegian activists would probably have pressured the fund into taking action if they had had strong evidence, which is why their claims received a response. Although the effectiveness of SRI as the engine for change is debated, institutional investors are still recognized as powerful because of the amount of funds they can inject into or withdraw from a business (Sparkes and Cowton 2004).

The action that the company took falls somewhere between self-regulation and the polluter pays principle. Self-regulation has been criticized (Sarker 2013). It is difficult to establish the objectivity of what companies report about allegations of environmental damage in the absence of some regulation. In this case, the company argued that the pollution was only hinted at in the company's baseline study, which implies that the blame lay with earlier mining operations, as far back as 1938

(AngloGold Ashanti 2008b: 35). This was an immediate and first re-
sponse, which was later followed by a company commissioned study in
2008, carried out by SRK. This revealed that there was "no pollution at
all" (Framtiden i våre hender 2010). AngloGold Ashanti's communica-
tion with Norwatch on the conflicting results from these three studies
was that another study should be conducted to establish why different
methodologies had produced different results, specifically the difference
between what was found by SRK and by Norwegian Church Aid's
commissioned study, as a quoted below:

> It is apparent that the results for soils and sediments obtained in the Nor-
> wegian study differ from the findings of the [AngloGold Ashanti commis-
> sioned] SRK study and *it needs to be investigated why the two different methodologies
> used yielded dissimilar results* (Framtiden i våre hender 2010) (italics added).

To date, no news on whether this further investigation was conducted
has been released.

As the above two quotes from the company seem to suggest, these al-
legations were taken seriously and treated as urgent because they raised
the attention of and came from a powerful stakeholder (David et al.
2007, Mitchell et al. 1997). The section that follows will turn the discus-
sion to two questions of the degree to which this was localised social ac-
countability or whether there were deficits, and whether these interac-
tions had an impact on the company's environmental behaviour.

Although actor responsiveness is sometimes equated with accounta-
bility, it is not the case when accountability is used in an analytical sense
(Bovens 2007). There are possibilities of a company providing a defen-
sive response instead of genuinely handling the situation (David et al.
2007). The promise of further discussion of the incident and debate with
the student was never fulfilled, which suggests that as the tension less-
ened the claims were swept under the carpet.

This case shows that third party organizations act as community ena-
blement factors (Wils and Helmsing 2001) when it comes to localized
social accountability. The company would not have responded if the call
had not come from these relatively more powerful stakeholders. This
signifies the link between the community and external actors.

This case also shows that there is a limit to what NGOs can do as far
as environmental responsibility is concerned. The Norwegian Church
Aid counter research was not timely; nor did they commission another

detailed study as suggested by the consultant. As a result, the findings of their study remained inconclusive. Time is an important factor when it comes to environmental issues. There was a three-year difference between the Norwegian Church Aid study and the master's research study. The conditions might have changed over this period. This shows that getting more powerful actors on a community's side, which takes time, is no guarantee that the challenge of producing evidence, which is crucial for localised social accountability in environmental issues, will be solved. Had there been enough uncontested evidence, the company would have been forced to take corrective measures because the Norwegian Pension Fund would have felt pressure to uphold the adherence to their SRI standards, or have called for divestment from the company. Research results that refuted the claim and even those that made it look ambiguous worked to the advantage of the company because investors using SRI were expected to be impartial and that could only be achieved if they made decisions based on convictions that were beyond reasonable doubt (Richardson 2011). Any decision to drop a company has an appraisal effect (Bovens 2007), which means that it could influence the decision of other stakeholders to take similar actions.

While the allegations of land pollution were taken into consideration, the story was different with regard to other pollution claims and complaints by the residents of Geita town. Ihayabuyaga residents blamed the company for air pollution that made it impossible for them to harvest rainwater, as it was polluted with dust (FGDs Ihayabuyaga). The company informed the community of this pollution (Interviews). This, as the community members argued, increased the cost of living, as they had to purchase water from rich locals who could afford to drill deep wells (FGD Ihayabuyaga 2).

There were no direct corrective measures taken to provide these residents with alternative sources of water. The company has started a project to provide water to Geita town in partnership with the government but it has never been mentioned that it is in compensation for the air pollution. One can easily link this with the pollution claims; because it was not declared that this was compensation, the project was designed and controlled by the company in a CSR approach as if it were philanthropy. The community had no say on the budget, period or management of the project. It was an ad hoc project, just like other philanthropic social spending, and assumed to be untainted by conflict

(O'Faircheallaigh 2013). Answerability and enforcements were missing (Utting 2008, Garvey and Newell 2005). This project took many years to complete. It was handed over to the government only a few months ago.

This is also a case where the company as the actor provided information to a community forum but despite having concerns, the community was not able to engage in debate. The company was also in no danger of actual consequences for the pollution they had caused. For years, the community grievances remained unresolved. This was a failure on the part of community movements as there was no disagreement on the fact that the air and water had been polluted. Unfortunately, the community was relatively disorganized (Wils and Helmsing 2001) compared to North Mara community. It is likely that the company felt responsible but there was no further motivation for it to enter into an accountability relationship by providing water services because the community did not articulate this responsibility as their right or push for redress. Unlike other mining communities, this community did not have the strong leadership necessary to organize and manage collective action (Wils and Helsming 2001), as was the case in chapter 4 regarding land issues. When the community leaders organized a rally, residents did not cooperate (Interview Kakola 3). NGOs tried to team up with them to assist but they did not keep this up which suggests that they realised that the community was not well organized (Interview Kakola 3). One group mentioned that one NGO leader had said, "*If you don't raise your voice no one will hear you … if you shout you will get a lot of people to help you*" (Kakola 3).

As a result, the company engaged in water provision as a project independent of the pollution claims. For a company, accountability might not be a voluntary option as it reduces its autonomy; without impetus from the community, it is no wonder they opted for the CSR approach in this case. In a context that does not demand accountability, a company will prefer the voluntary CSR approach and, at worst, will behave irresponsibly. Lindsay (2012), who studied Canadian mining companies, also observed this. She found that when they operated in a political economic context such as those found in developing countries, they took advantage of the voluntary and self-regulation approach; they behaved irresponsibly. Lindsay argues that this is fuelled by the global economic context that is regulated by a market that rewards short-term performance; the company profits (Lindsay 2012, Vogel 2005). For a rational manager to commit to an accountability relationship free of pressure might seem

unreasonable compared to CSR, where the company is free to decide whether, what and how to spend on social services and even on what and how to report about it. Delaying such a project means spreading the cost, resulting in a smaller annual budget.

This exemplifies the argument that for an accountability relationship to be established, the level of community organization and management matters (Wils and Helmsing 2001, Garvey and Newell 2005). In the absence of a strong entity backing a weaker forum, an actor does not feel obliged to engage in an accountability relationship (Bovens 2010). While in the land pollution case the company commissioned a study as a way of explaining what had caused the water pollution, the same company simply informed the community of the pollution without promising any redress. Lastly, this is illustrative of the interactive and relational nature of accountability in general (Bovens 2007) and of local social accountability in particular. In order for local social accountability to materialize there must be a functioning forum that can articulate the claims and drive them forward. Having rights alone without the ability to claim them is limitation on the part of the community. This is a challenge faced by many poor communities and has been observed in other studies (Garvey and Newell 2005).

A third environmental problem that Geita Gold Mine host community complained about was earth tremors Katoma residents reported this as one of the major challenge facing them as one of the villages closest to the mining operations. These tremors were caused by rock. I also experienced this during field visits to Katoma. During FGDs there were complaints that houses had developed cracks because of these tremors; I observed these cracks. Responding to this, the company argued that the blasting was scientifically calculated and was within the allowable level. The company argued that the cracks were the result of poor building materials used by community members (FGD Katoma 3 and Interview with a company official). This difference of opinion necessitated an independent scientific survey to prove who was right. The community had circumstantial evidence that there were cracks in almost every house at Katoma and that the company was blasting rocks. The company refuted this, referring to technical arguments. Recently, the new government through its deputy Minister for Minerals and Energy has shown an interest in establishing the truth to these claims by the community. Addressing Geita residents, the minister ordered the government officials re-

sponsible to find a solution to this problem. This may yet see accountability set in place.

Similarly, Nungwe residents had complaints that were not successfully followed through to the level of an accountability relationship. This village is more than 25 kilometres from the company. Many of its residents were fishermen. They complained of the dwindling numbers of fish in Lake Victoria. This affected their economic position and meant that they did not even have enough fish for their own consumption. This they argued had occurred since the establishment of the mine (FGD Nungwe 4). They associated this with the water pollution caused by the company. This company did not give the village an audience to listen to their complaints despite the community requesting this, sometimes resorting to violence (FGD Nungwe 4). The pollution of the lake is not a new allegation and the environmental authority has made it before (Interview with LEAT former Director). These environmentalists seem, however, to be more concerned with the impact of pollution on the biodiversity than with its socio-economic impact on the Nugwe fishermen. These environmentalists focused their attention on Geita rather than on other mines because this company was mining inside a forest reserve, a forest with water catchment areas for Lake Victoria. The operations disturbed streams that flowed into the lake by polluting them and sometimes blocking them (interview with LEAT former Director).

The Nungwe case and those discussed above are illustrative of how less powerful stakeholders such as village communities do not matter when it comes to local social accountability unless they have the backing of stronger stakeholders such as investors (Wils and Helmsing 2001, Bovens 2010). These cases illustrate that a threat or actual consequences are important if an accountability relationship is to be established (Bovens 2007). These cases also show that environmental justice (Kuehn 2000) cannot be achieved without strong and uncontested evidence supporting allegations of pollution (Özkaynak et al. 2015). This cannot be achieved easily especially if a community works alone. Geita Gold Mine did not establish an accountability relationship with the community (in any of the three cases) apart from one case where its institutional shareholder compelled it to accept accountability. Even so, there was no conclusive evidence to ensure meaningful accountability because results were inconclusive.

The institutional investor proved to have more power and (pragmatic) legitimacy (Mitchell et al. 1997), which was clear in the way the company took their concerns seriously and provided a quick response by commissioning a review of the study that had accused them of land pollution. As noted by David et al. (2007), this type of response should not be taken to mean a response to the environmental concern in question. Such a response might simply be made to please the investors; in this case the review was commissioned by the company for the company, which may have introduced some bias. On the other hand, as doubtful as it may seem, this could be an example of how a company could carry the burden of proof (Kuehn 2000), that is, if there were to be a procedure agreed upon by all parties to the conflict as to who should carry out the study to validate the claims.

Nonetheless, this case also shows that in incidents where a community is seen to be passive, the chances that other actors will be prepared to assist them are small. The Legal and Human Rights Centre, a very vocal NGO in Tanzania, knew about the air pollution and other pollution at Geita (Interview with its senior staff responsible for corporate responsibility), but there is no report on any activism in this matter. This NGO assists the disadvantaged in many areas and with limited resources, it chose to prioritize its activities with communities that were actively engaged in the struggle for accountability, such as North Mara. In an interview, a senior officer of one of these NGOs explained, "*sometimes we offer legal assistance to a community and later we come to realise it had decided to compromise with the accused company behind our back, when they realized they were taken advantage of they come back to us again; this is a challenge*". (LHRC officer responsible for CSR) This corresponds with the generally accepted argument that despite the good work of NGOs they have limited capacity to institute or influence changes to the desired scale.

This case also illustrates the fact that information or transparency is a prerequisite for an accountability relationship but it is not enough; how a forum makes use of the available information is even more important. The power asymmetry can act as a bottleneck in accountability relationships (O'Faircheallaigh 2013). In this case, the community lacked the technical power necessary to process the information on water pollution and to articulate clear demands for the company to take responsibility. It is very likely that the company knew about the community's weakness and for this reason did not hesitate to share information on the pollu-

tion. The company did not want to link the water project that it had fi-
nanced in Geita town with the air pollution because that would have
meant that they would have had to take urgent corrective measures,
something they appear to have been unwilling to do. Failing to link the
initiative explicitly with air pollution reduced the sense of urgency, as is
discussed in chapter 7.

It is clear from these four Geita cases that the role of the state, in par-
ticular the National Environmental Management Council (NEMC), was
insignificant. The local community could not get recourse from local
government or from the central government agencies to investigate their
complaints. It seems an injustice to communities to expect them, in in-
stances where they complain of externalities, to have to fund the investi-
gation themselves. This is typically an issue of public order and it is the
duty of either local government or environmental agencies. Apparently,
neither of the two responded or was required to respond to the com-
plaints from the community. In other words, it is not that local social
accountability was not exercised by the community, but rather that these
communities had the right to demand action from other responsible ac-
tors but were unable to do so in the circumstances. Other researchers
have observed that Tanzania lags behind in environmental management
and regulations (Pallangyo 2007). This is despite having the "polluter-
pays" principle guiding the Environmental Management Act (2004) (The
United Republic of Tanzania (URT) 2005). The NEMC did not enforce
this specifically in these mining incidents, leaving communities stranded.
This could be because environmental regulations (just like opening the
economy for FDI in mining) were externally engineered initiatives, spe-
cifically as in this case the World Bank group and its allies pushed for
this (Pallangyo 2007). Ownership was still missing. On the other hand,
many of these large-scale mining operations began operations before the
Act designed to regulate them had been put in place; they were thus op-
erating in an environment that was free from regulations. This could be
the reason Geita Gold Mine referred to its own baseline study to clear
itself of the allegations that it had polluted Nyakabale land. In addition,
the company hired a consultant to assess the student's dissertation. This
invites criticism of the impartiality of the self-produced reports or evi-
dence (Emel et al. 2012). If regulations were in place that required com-
panies to produce independently verified EIAs, these doubts would have
been erased. The NEMC confessed that this was the challenge they

faced: mining preceded the law (Interview with NEMC senior official responsible for monitoring mining companies). Nonetheless, the NEMC reported that it did not have the budget or enough staff with the necessary skills to deal with this matter (interview with NEMC). This suggests that the government considered its function as less important. This does not rule out the possibility of corruption as it has been reported in other studies (Lange 2011). The section that follows turns to the second case at North Mara Gold Mine. Early scholars have viewed state support as an enabling factor in community initiatives (Wils and Helmsing 2001). Geita community lacked this.

5.3 Localised environmental pollution accountability at North Mara Gold Mine

In 2009, there were claims that North Mara Gold Mine had polluted the River Tigithe. Although pollution was reported by residents to be a continuous problem (Interviews), this 2009 incidence was more serious. The Tigithe River is important for the North Mara community as it is their source of water for domestic use and for their livestock. A number of residents claimed that they had developed serious diseases soon after using water from this river to wash and their horrifying pictures were circulated on the websites of local and international NGOs. It was also reported that a number of livestock that had drunk water from this river had died. Some residents who suffered from rashes died while struggling to receive justice.

This case of pollution attracted the immediate attention of local (urban based) NGOs, and then received local media attention, making many Tanzanians aware of this serious pollution. Affected community members and NGOs began movements to seek compensation. Politicians took this to parliamentary discussions. Members of both the ruling party and the opposition spoke with the same voice, demanding a thorough investigation, punishment of those responsible and compensation for the victims.

A parliamentary committee was formed to look into the matter. As the environmental regulator, the NEMC was also involved. NGOs from the company's home country, Canada, voiced this with pictures of victims on their websites. In the end, however, these victims were not com-

pensated. The chairman of the special parliamentary committee on environmental issues suggested

> The government should give a statement on the huge impact to the environment, health of people and livestock that is going on at North Mara due to mining investments in the area … The statement should explain to the parliament the causes and impact, the measures taken against the mine, compensation paid or expected to be paid to the affected victims and measures taken to ensure this will not repeat again. (Tanzania Parliament 2009)

The committee also suggested the formation of a special task force to investigate the matter. The community members and the public had little faith in this committee, however. Doubts arose when the company paid for the task team's flights and rumours circulated that they had also received handsome per diem payments. Interviews with LEAT revealed that it was not easy to campaign against this case. Its then director argued that to them, "it was like fighting with the government" (Interview LEAT). They also wondered why the report on the investigation by the special task force was not made public (Interview LEAT). In interviews with the NEMC, it was revealed that the report had in fact been published. Sharing this with the public may have caused some social unrest because it might not have been what was expected. The senior official responsible for environmental monitoring argued that the pollution had not been caused by cyanide. The task force report connected the death and skin rashes to natural disasters that caused the river to absorb minerals from its banks, as SteelGuru wrote,

> … minerals are beneath water sources and people use wells as their main sources of water. It has been a coincidence that people started to suffer when the leakage occurred. (SteelGuru 2011)

The official accused NGOs of exaggerating issues. He argued that NGOs "neither have scientific evidence nor conduct baseline studies" (Interview NEMC environmental monitor). He did agree, however, that the watchdog role of NGOs helped them to receive timely information on incidents of pollution.

On explaining why they had not acted immediately, he argued that they had a shortage of funds and other resources to watch over and monitor at these mines, as explained below:

When read from the newspaper that NGOs are campaigning we immediately act on it … [But] finding evidence needs money. It takes between six to seven million Tanzanian shillings to carry out one test using Government Chief Chemist. There is another private facility of CDS – Mwanza – specifically for mining but it is even more expensive. On top of these charges a person going there has to be paid to cover living costs for days he is there waiting (per diem). This can make it up to 10 million Tanzanian shillings. [But again] telling mining companies to stop is costly since restoration is quite expensive. (Interview NEMC environmental monitor)

The company on its part hired a South Africa-based consultant to investigate the skin disease cases. This consultant established that the skin diseases suffered by these residents was genetic; something that was strongly opposed by NGOs supporting the community. Protest Barrick, for example, argued that there were procedural weaknesses. The consultant did not conduct physical diagnoses of the patients, which was necessary in order to determine what these community members were suffering from. His conclusion, that the disease was genetic, was based on pictures that the company had sent to him (Protest Barrick.Net 2013). Protest Barrick questioned the methodology and hence the validity of this consultant's report. Quoting an expert from the Canadian Association of Physicians for the Environment, Warren Bell, they argued:

a visual inspection of a rash is meaningless without knowledge of the process that brought it into existence. Almost all environmental exposures are confirmed by history, and only secondarily by appearance. (Protest Barrick.Net 2013:2–3)

The NGO's concerns regarding the objectivity of the rebuttal report is not very different from what appears in the literature on stakeholder pressure. David et al. (2007), for example, observes that company's responses to stakeholder pressure are aimed largely at watering down the threat of consequences. Responses like these are often not genuinely aimed at redressing the situation, but rather are intended to manipulate the situation in order to clear companies' names. This explains why, when it comes to the extractive industry, host communities do not trust companies or the state (ICMM 2006, cited by Laplante and Spears 2008). Perhaps this allows us to ask again whether the polluter-pays principle is the same as self-regulation, or whether it should be applied as co-regulation in the sense that both parties should decide on the case but

the company should foot the bill. Bebbington and Bury (2009, cited in Kemp et al. 2011:95) warn of the limitations of self-regulation, especially when it is in the context of controversial issues such as these.

Experience shows that Canada, which is home to Barrick Gold Corp, has also been viewed as biased towards its mining companies operating abroad, as the previous quote from Lindsay reveals. This explains why the pollution was reported to LEAT and not to the government (the NEMC or the district offices). Like the NEMC, this NGO was based in Dar es Salaam; the administrative city, almost a thousand kilometres away. On the other hand, (as is clear from the interviews), the NEMC did not trust these NGOs either, although they did positive work as the voice of the community.

When I interviewed NGOs, they appeared to be sympathetic towards the NEMC. They saw it struggling for its position in the government, against powerful departments such as the Ministry of Minerals and Energy (Interview with LEAT former director). For example, one NGO leader was quoted as saying, "*In fact the mining operations here in Tanzania are quite burdensome to environmental enforcing agency because the country has not received requisite revenue from mining operations to be able to obtain funds to go and monitor the operations*". NGOs became involved in legal reforms to give the NEMC more power, a movement that saw the establishment of a new NEMC in 2004. Its power struggle is illustrated by its decision to ban the mine from discharging its tailings in that area until corrective measures had been put place. This ban continued for some years, as in 2011 North Mara Gold Mine was still pleading for its lifting. This, however, came as a softer sanction after the initial attempt to recommend to parliament the shutdown of the mine or the relocation of residents living adjacent to it (Council of Churches in Zambia 2009). The most likely reason for the non-implementation of this stringent measure was the fact that mining contributes more than 40 percent of the country's exports, as mentioned in chapter 1. Such a decision would thus have affected the economy as well. The country's past record also makes corruption a plausible reason for the implementation of these softer sanctions (see for example Lange 2011). This is similar to a case in Peru where the state decided to side with a mining company when there were conflicts between it and its host communities, the result of the country's economic dependency on these companies (Bebbington et al. 2008).

Even home countries, which are supposedly responsible for protecting the human rights of citizens of the country in which their companies are operating, as endorsed by the UN Guiding Principle on Business and Human Rights, seem to be hesitant in taking this role. In this case, Canadian Embassy refused a visa to a victim who was to travel to Canada to voice her grievance against North Mara Gold Mine (Interview LEAT). Canada is among those home countries that are most hesitant to intervene when their multinationals are accused of human rights violations (Seck 2008, Lindsay 2012). As Lindsay observes:

> In the mining industry, Canada could be an excellent test site for assessing the impact of Ruggie's recommendations [of effective home country judicial mechanisms] – it is a relatively strong state where currently mining companies working overseas are virtually unregulated and where "nonnationals who are adversely affected by the overseas operations of Canadian extractive companies face daunting barriers in accessing the country's legal system". (Keenan 2010, cited in Lindsay 2012: 220)

Canada is the home country of Barrick Gold Corp, North Mara Gold Mine's corporate parent. It was not regarded as ready to facilitate the search for justice by the victims of North Mara pollution (interviews with LEAT). The Canadian embassy refused a travel visa to one of the victims. With LEAT's help, she was planning to travel to Canada to try to win other stakeholders' support in pushing Barrick to compensate the victims. This woman later died (Interview with LEAT). Photographs of these victims were published on Canadian NGOs websites and in newspapers.

In interviews, the NEMC informed the author that after the 2009 pollution North Mara Gold Mine developed a treatment plant to treat water from acid waste rock leaching before it is released into the environment. However, the NEMC's findings and decisions on conflicting environmental issues were in many cases perceived as biased or soft (FGDs North Mara). For example, it was reported in January 2013 that the NEMC had ordered the shutdown of the biggest dam in Matongo village (figure 5.1), giving the company a gestation period in which to start implementing the ban (Nyakeke 2013). The community was unable to explain what the NEMC had ordered the company to do (FGDs). In interviews, they pointed out that "the government officials from the district and central state just come here and go inside the company and we don't

know what they talk there; what we know there is not any change"
(FGD Nyangoto 4). Even during the fieldwork for this study the com-
munity still had the same complaints that the big dam was leaking as it
had been in March 2013.

This suggests that even while the NEMC had been provided with en-
vironmental (and social) regulatory power there was a limit to its applica-
tion as far as these mining multinationals were concerned as a result of,
among others, the country's dependence on them for foreign currency.
This is common in cases where a country is developing and depends on
natural resources to achieve this goal (Bebbington et al. 2008).

This case reveals some responsive interaction, although limited, as
this community had links with an external actor. Accountability was not
achieved because of a lack of technical capacity to provide uncontested
evidence with which to convict the company. The state, in the best posi-
tion to do so, could not do this.

Figure 5.1
Tailings dam at North Mara Gold Mine

Source: Photo by the author in 2013

5.4   Localised accountability for environmental pollution at Bulyanhulu Gold Mine

Bulyanhulu differs from the other two mines in the sense that it uses underground mining technology. This has made it difficult for communities to attribute environmental issues to its mining operations. In interviews, residents complained of drought and a drop in the underground water level, phenomena that may have been connected to underground mining, but they were finding it difficult to attribute them to the company. This made it difficult to demand company environmental accountability; what it does make clear, however, that does not remove the possibility that it might have been polluting the environment and endangering the health of host community. Recently, seven mining companies were fined a total of Tsh450m by the NEMC. Bulyanhulu was on the list despite its being an underground mine. Bulyanhulu was fined a sum of Tsh55m (roughly USD xx) (The Citizen Correspondent 2013). As the NEMC's official, Dr Mtoni, put it and as it was reported in *The Citizen*:

> a survey carried out between August 26 and September 18 [2013] established that the mines violated environment protection regulations by draining dirty and poisonous water into the environment and dumping both liquid and solid chemicals without first treating them.

> Some of the mines also stand accused of failing to maintain their water dams, leading to dirty and poisonous leakages finding their way into water sources. "The security has also been lax in some mines, to the extent that people enter the mines and steal property that includes poisonous substances;" … "This has led to their proliferation in the human habitats."

> Geita Gold Mine, owned by AngloGold Ashanti, led the pollution brigade and was handed a Sh170 million fine. Next [was] Buzwagi Gold Mine that is owned by African Barrick Gold (ABG) … was fined Sh60 million.

> Other mines, fines in brackets, include North Mara (Sh60 million), *Bulyanhulu* (Sh55 million), Tulawaka (Sh25 million), Golden Pride (Sh40 million) and El-Hillal (Sh40 million). (The Citizen Correspondent 2013)

NEMC ordered the mines to comply with the Environment Act of 1997 and gave them three months to resolve their waste disposal issues. Local media reported the spokesperson for African Barrick Gold, now

called Acacia Mine, as saying that they were yet to pay the fine because they did not agree with the conviction. This again calls into question the power of the NEMC and the possibility of interference from other powerful state organs and or individuals.

While the NEMC also agrees that community voices help to alert them to incidents of pollution, this was the case with Bulyanhulu as the pollution there was largely invisible to host its communities because operations were underground. As noted in the quote above, however, this does not make this mine an adherent to environmental standards; rather, it means only that local social accountability was complicated by a lack of information available to the community.

For instance, it is difficult to prove that issues that can be attributed to climate change are being caused by mining (Lindsay 2012: 220), and this is the case with most claims surrounding underground mining. Even with scientific evidence and baseline studies, establishing causal effect remains a problem (Lindsay 2012). Even when interviewed, community members were unsure as to how they could link the company to environmental changes when mining operations were underground (FGD Bugarama 1). For this reason the case of Bulyanhulu is illustrative of the complexity that a community can face; in this case, the most accessible form of evidence the community could have produced would have come from observation, which was not possible in these circumstances. Unlike Geita Gold Mine and North Mara Gold Mine, which were open-pit mines with environmental issues that were more explicit, investigating an underground mine requires technical expertise to establish whether mining operations have made an impact on the environment. There were also pollution issues, for example, the NEMC had imposed a fine on the mine as revealed above, but the community was not aware of this.

From the above it appears that the relative lack of environmental activism at Bulyanhulu was not because the company was more environmentally responsible than the rest, but because the community was faced with challenges of capacity and an inability to attribute their environmental problems to the company's operations. It was not easy to establish causal effect, even in the case of open pit mining operations where the incidents were more evident (North Mara and Geita Gold Mines). It is possible that if these communities had been able to team up with other actors such as NGOs the power asymmetry (lack of knowledge) would

have been reduced (Bebbington and Bury 2009, cited in Kemp et al. 2011:95).

5.5   Discussion

External actors (Wils and Helmsing 2001) such as the NGO Norwegian Church Aid in the case of Geita Gold Mine, and local and international NGOs and politicians in the case of North Mara Gold Mine were instrumental in triggering company responses. Because environmental issues require scientific evidence communities, were unable to engage in meaningful debate with companies who monopolized this knowledge. In North Mara, the company commissioned research that refuted the community's claims. Although the community and its allies were not satisfied with this rebuttal, they were not able to provide scientific evidence to counter the report provided by the company. The land pollution at Nyakabale in Geita was a somewhat different as the accusation began with scientific research from a master's student. The company refuted this but could not deny the pollution, although it argued that it was not responsible. Other issues that did not catch the attention of external actors were neither accounted for nor debated. These included complaints by residents in Geita on the low numbers of fish in Lake Victoria, cracks to buildings and air pollution. On the issue of consequences (Bovens 2007), community dissatisfaction with company responses did not pose a threat to the company concerned but in instances where other powerful stakeholders were involved and companies were threatened by consequences they accepted the truth of the allegations. This was the case with the pollution at North Mara in 2009, for instance, where the issue started taking political shape and NGOs struggled to make it known to other stakeholders abroad. In the case of land pollution at Geita, where the Norwegian Church Aid demanded an explanation and the company realised that if did not comply investors could sell their shares as they had in the Barrick case. However, in situations where there was no perceived threat companies ignored community complaints, including those about the cracks and diminishing fish harvest at Geita.

Timely provision of information to victims is an important element of local social accountability (Bovens 2010). Information was not provided to communities in instances where it was necessary. For example, in the case of the pollution at North Mara, the community identified this pollu-

tion. It is unclear whether the company knew about it and did not alert the community but it is likely that the company would have been the first to know about any pollution as it employed environmental experts whose task was to monitor pollution around mining concession areas and beyond. The company might even have known about the issue of the pollution of Geita land as it conducted self-monitoring. However, the company waited until the master's dissertation had been published before giving a detailed explanation of the baseline study that attributed this pollution to previous mining operations in the area. The baseline data showing that this area was highly polluted would have been vital to the community if the company had shared it with them, however.

Another issue that is important to local social accountability is whether the community (and its allies) questions the amount charged for an appraisal. The North Mara pollution in 2009 attracted politicians and had it not been that the country depended on the income from gold mining this may have led to the closure of company operations, as was proposed by the NEMC. However, this dependence would not allow the exercise of stricter regulations, as has also been revealed in studies on the response of other countries that depend on mining and those that do not. The former, for example Peru, were defensive of companies whereas the latter such as Ecuador acted in the interests of the communities, (Bebbington et al. 2008). Geita Gold Mine was also under threat of blacklisting by one of its important investors, Norwegian Government Pension Fund, which has a policy that requires it to take action by disassociating itself from a company that has been proved guilty of polluting the environment. The NGO does this by divestment. Norwegian Church Aid's interest in investigating the matter meant that if there was enough evidence it would turn to this Fund for action. This action could have had impact beyond this one investor as other investors who also followed SRI might also have used this organization's blacklist as a point of reference when making investment decisions. NGOs' use of SRI adherent investors as their tool to forge responses from companies is a topic that has been researched (Guay et al. 2004).

The last question is whether these actions led to changes in the environmental practices of these companies, or to defensive routines and shirking. There is conflicting evidence in the case of North Mara. The NEMC, the regulator, revealed that the company had introduced a mechanism to treat tailings before releasing them but the community has

not seen evidence of these changes. In the case of Geita Gold Mine, the company was transparent on air pollution but never shared its plan, if any, to redress the situation. Instead, a project to provide water was presented independently of the air pollution that has affected the community's water sources. The absence of the state resulted in the failure (Wils and Helmsing 2001) of these communities' initiatives in seeking environmental justice.

Self-organized and financed counter research could have the purpose of clearing companies of accusations as such studies could fall under self-regulation (Kemp et al. 2011:95). Some countries have a polluters pay law and require polluters to bear the burden of the proof. Thus, the initiatives that these companies take in paying for further investigation are desirable. It is not clear, however, where and when this amounts to defensive mechanisms, as some stakeholders such as communities do not trust these reports, as in the case of the North Mara community skin diseases. There is evidence that companies are likely to engage in this form of activity to please powerful stakeholders and not for the genuine reason of redressing the situation (David et al. 2007). As research in the natural sciences is not inherently objective, it is imbued with the power to necessitate debate on scientific knowledge rather than to end possible deliberations (Knorr-Cetina 1981, Nelkin 1975). Communities require detailed feedback on actions taken with regard to their environmental concerns and must be empowered to produce counter evidence when necessary (Özkaynak et al. 2015). In Tanzania, the environmental regulation mentions following a "polluters pay" principle (The United Republic of Tanzania (URT) 2005) but experience shows that mining companies have been too powerful or influential to fall under the control of the NEMC. In this chapter it has been demonstrated that companies or the state have ignored NEMC recommendations and decisions such as relocating the community or closing the mine (North Mara), and have ignored its fines (African Barrick Corp). These companies employ government relations directors whose work it is to lobby the state (according to a job advertised by African Barrick Gold). This is a new position at African Barrick Gold and is filled by someone who has just retired from the position of CEO of the Tanzania Investment Centre. This person could easily influence these regulators and other state organs and this was why he was employed.

Although the NEMC is generally regarded as a biased institution where gold-mining companies (FGDs) are concerned, there were instances where it showed some degree of professionalism. In one case, the 2009 North Mara Gold Mine pollution claims, the NEMC advised the government in its report to the National Assembly to "shut the mine or relocate North Mara residents", saying that it had been a mistake to locate the mine there (Council of Churches in Zambia 2009). Neither of the two recommendations was implemented. This calls into question the power of the NEMC as a regulator. Similar cases were reported in previous research elsewhere. Peru, for example, took sides with MYSA against activist movements because of the country's dependence on the company (Bebbington et al. 2008). The NEMC may well be a victim of a wider structural problem: country dependency and hence suppression from other powerful organs. This narrows the chances of establishing localised social accountability on environmental issues. Only the state can be effective in monitoring these matters and as has been demonstrated, it was not willing because of a conflict of interests.

There is no evidence to link the country of origin (home countries) with the accountability of a company. A company like Geita Gold Mine, whose home country is South Africa, was faced with pressure from Norwegian investors, which suggest that as long as a company is a multinational, its stakeholders beyond its home country can pressure it. Things may have been different if national states (Canada or South Africa) were actively involved in regulating their companies abroad; but so far, this is still a struggle despite these national states' endorsement of Ruggie's Principles (Lindsay 2012). Canada has been blamed for being reluctant to impose stricter regulations on its companies operating abroad (Lindsay 2012), allowing them to exercise double standards.

This chapter is linked to chapter 6, which deals with violence. It will become clearer in that chapter that the major concern of these community members was not the environment per se but how it affected their lives and livelihoods. For example, the village benefits and impact agreement (VBIA) signed between North Mara Gold Mine and its host villages did not mention prevention or mitigation of environmental issues. Yet there is a promise in these VBIAs that when the company's promises to the community (the provision of schools, hospitals, water, roads etc.) had been fulfilled, the community was expected to behave in a more friendly manner to the company. This chapter together with the

following two chapters (6 on violence and 7 on social spending) ascertains what was noted by Walton and Barnet that, "…environmental conflicts in developing countries are caused not so much by environmental degradation, but by the unequal distribution of outcomes arising from environmental degradation and the processes that cause it" (Walton and Barnett 2007:4). These environmental claims are not persistent even when the causes for claims persist. The environmental demands that company social spending responds to indirectly might result in community satisfaction in situations like these, where this is implicitly regarded as a trade-off. As will be indicated in chapter 6, this is why claims of environmental pollution were not presented independently of compensation claims; rather they reflected distributive and social injustices (Kuehn 2000).

In response to the seven research questions that have guided this chapter, the two companies accounted for the allegations of environmental malpractice when they were faced with pressure from stakeholders external to the community. In all three cases, communities could not engage in debate with companies because they lacked the technical capacity to produce scientific evidence with which to counteract the companies' own reports, despite assistance from external actors such as NGOs. The communities' disagreement with company reports seemed to pose no threat of actual consequences to these companies. In cases where the allegations caught the attention of external actors, company response was timely. While the issues remained at the local level, companies appeared to avoid giving information to the community concerned on the incidents of pollution. Information was provided in one case, the case of the air pollution at Geita, but this was inadequate. Community questioning did not amount to appraisal because the communities could not reward or punish the company concerned. There was no evidence that this form of interaction, where a community has no capacity to counteract reports from companies, has had any impact on the environmental practices of these companies. However, where the state intervened, in the North Mara case (2009 pollution) for example, it appeared that the behaviour of the company had been positively influenced because it was banned from using an old dam for a number of years, causing additional costs for the company. The fact that the company begged the NEMC to uplift the ban, saying that it had addressed the weaknesses observed by the state regulator, may have constituted a learning experi-

ence for the company. However, reports that these companies were recently fined for environmental malpractices by the NEMC tells another story; either the companies have not changed their practices, or these are new malpractices, different from the ones they were punished for previously.

5.6   Conclusion

This chapter addressed the research question, "how and to what extent were communities around gold mining in Tanzania (un)successful in extracting localised environmental accountability from gold-mining companies?" Communities clustered around mines were unable to engage in debate or forge accountability relationships with companies on environmental pollution. The reason for this was that environmental pollution required scientific evidence to prove the truth of what the communities were accusing these companies. Even where the community believed that the evidence did not require a scientist's report, companies insisted on scientific evidence, knowing very well that the community could not provide this. The government, with the monopoly over the provision of evidence and expected to be neutral, was ineffective. It did not perform its regulatory role effectively, leaving the communities struggling and without the resources necessary for engaging in these scientific debates. There were a few cases where the company responded to local communities' environmental concerns and grievances. These responses were neither timely nor did they redress the problem to the communities' satisfaction. These studies were generally regarded as merely intended to clear the companies of any responsibility. In cases where companies did respond, this was largely due to pressure from actors external to the communities. These were NGOs in Tanzania and those in the home countries of these companies. Their interest in these environmental allegations made the companies face the threat of a reaction from institutional investors, specifically those that adhered to SRI principles. Some big investors were based in the countries these home countries of these NGOs. However, the support from NGOs in these cases did not bring results, as they were unable to provide irrefutable evidence of the truth of allegations. The environmental pollution case shows that environmental issues require a strong and authoritative third party to ensure that a company will feel obliged to account to local communities. The state is such a third party. As states playing host to

these companies are weak (budget wise) and unwilling (conflict of interest), the home state's role and international environmental regime could be one way of making this happen. Environmental pollution provides a case for the importance of the state's role in providing structures (rules and regulations on environmental pollution) to assist a community and its allies to exercise their agency.

Notes

[1] Some environmental impacts are beyond the ken of communities, for example those technical issues that are monitored by environmental regulatory bodies such as the permissible level of toxic waste discharge. Communities are concerned with evidence of pollution that is visible to them such as water and air pollution (dust).

[2] Known in Notch as Framtiden i våre hender

6 Violent conflict: community strategy for extracting localised social accountability from companies

Most of us live like thieves, as you find someone having [modern] house, food and clothing with no particular business. … why not evade the mine when mining was the only livelihood activity? If that is thieving there could be five or 10 people doing it … but when 200, 300 people enter the mine in groups to steal those are not thieves; it is poverty. They could not provide us with alternative livelihood. Mining was our cash crop. (FGD Nyangoto 2)

Large-scale mining investments have generated conflicts with proximate communities, especially over land and environmental pollution, as we have seen in chapter 4 and chapter 5. These conflicts take time to resolve, if at all they are resolved, which led to many communities resorting to violent means to force a response from companies. This chapter will focus on violence as a community resistance strategy while the chapter that follows (chapter 7) will investigate companies' responses. From this perspective, communities use violence as a strategy to demand local social accountability. It is a form of community resistance against perceived injustice. The chapter answers the question "how and to what extent were communities around gold mining in Tanzania able to apply violence to resist perceived injustices related to land transfers and environmental pollution?"

Conflict is viewed as "necessary and inevitable for social change" (Miall et al. 1999, cited in Getz and Oetzel 2010: 6). When conflict turns to violence, however, it is no longer regarded as healthy. At this point, it may result in casualties and/or loss to property. Violent conflict is defined as "organized physical force, resulting from grievances between two or more parties and leading to injury or death to persons or damage or destruction to property" (Oetzel et al. 2007:331) Violent confronta-

tion invites concerns about human rights (Coumans 2012). When a conflict turns to violence it takes on a national and an international face because it raises universal human rights concerns. In the likelihood of winning broader support, some communities use violence to voice and gain attention for their ignored grievances (Trebeck 2007, Trebeck 2008). Although violent conflict is broader as it encompasses several actions (Getz and Oetzel 2010, Oetzel and Getz 2012), the violent confrontations between communities and companies or police attract more attention from stakeholders, including the media. Other forms of violence common to the gold-mining industry include sabotage, blockades, vandalism and illegal mining that in many cases end in violent clashes with police or company security guards.n

The literature has identified various reasons for the existence of conflicts between corporations and host communities. Calvano, for example, mentions "stakeholder power inequality, stakeholder perception gaps and cultural context" (Calvano 2008: abstract). Kemp says, "Inequitable distribution of risks, impacts, and benefits" are the reasons for these conflicts in mining areas (Kemp et al. 2011: abstract). These reasons are complementary. The long-standing grievances on land, environmental pollution and benefit distribution, for example, can be linked to violent conflict. The problems persist because grievance mechanisms that are considered just by both parties are often missing (Kemp et al. 2011). Communities then resort to violence, as they are powerless to access other peaceful strategies such as courts of law or political elections. This is an illustration of the power imbalance identified by Calvano (ibid).

Although Calvano and Kemp's work is informative, it does not differentiate between levels of conflict – violent vs nonviolent. Their work is thus broader and at risk of missing the variations offered by studying a single type of conflict. On the other hand, scholars who have focused on violent conflicts have taken companies as their focal point; how does violence affect their operations, why and how do can resolve this situation (Oetzel et al. 2007). These researchers also miss the rich information to be had by studying the interaction between companies and communities. This chapter focuses on violent conflict as a "weapon for the poor", which it is argued emanates from communities' lack of alternative ways of airing their grievances about their perceived injustice (Evans et al. 2002, Coumans 2012, Waritimi 2012). It also examines violent conflict, using an interactive lens of the localised social accountability framework.

The chapter begins by describing localised social accountability as the framework used to analyse violent conflicts in gold mining. In this section, extant literature on violent conflict, accountability and the link between them are discussed. Thereafter, the design of a localised social accountability framework for studying violence is discussed. The discussion then moves to the illustrative cases of Geita Gold Mine, North Mara Gold Mine and Bulyanhulu Gold Mine. Finally, the chapter concludes with a comparison of these three cases with the existing literature.

6.1 An overview of violent conflict

Violent conflict is "organized physical force, resulting from grievances between two or more parties and leading to injury or death to persons or damage or destruction to property". In gold mining and other extractive industries violent conflict takes the shape of illegal mining, road blockades, protests and vandalism, as explained below.

6.1.1 Illegal Mining

Illegal miners collect waste rock from a company's concession land and process it to remove the gold. This is a common practice wherever there is an open pit mine because the technology involves lifting earth and piling up rock waste. The company takes only the small portion of rock that is rich in minerals for processing. Young, unemployed men regard waste rock as valuable and they collect it and process it to extract whatever gold they can from it. Companies do not tolerate this and use security (including police) to deal harshly with these illegal miners. As a result, many casualties in mining localities occur among illegal miners and on mines that use open pit technology. Although these companies do not use this waste rock, entering the mine concession to collect is not tolerated.

As far as companies and the state are concerned these individuals are criminals who, when caught, may receive a maximum six-month jail sentence. They are referred to as "intruders" or trespassers, indicating that they are undesirable. They call themselves *"Wangoni",* however*,* a name that other community members also use. The researcher learnt that they prefer this name because it is associated with a war hero.

Wangoni is not a new name in Tanzania. A tribe found in the southern part of Tanzania, in the Songea region, bears this name. Explaining why they used this name, these young men said that they viewed what they were doing to be like the actions of the Ngoni people. Historically, the Ngoni tribe was among the African hero tribes that fought and conquered neighbouring tribes in the 1840s. They came all the way from South Africa to settle in the southwestern part of Tanzania. Their migration from South Africa can be linked to the tyrannical rule of Shaka's Zulu Kingdom. They were known to be fierce warriors (Wikipedia).

These young men also acted as groups, organized and to some extent fearless. The group of illegal miners comprised both local youth and inmigrants who had been attracted to these areas, except in areas where inmigration was low. This affected their organization, mobilization and the level of violence they could suffer and exert on the company.

6.1.2 Blockade

Communities used road blockades to stop company workers and vehicles from entering or leaving the company's premises. This is a common strategy to gain the attention of state and companies in the extractive industry (Laplante and Spears 2008, Trebeck 2008, Waritimi 2012, Coumans 2012). In itself, a blockade is enough to make a conflict violent (Oetzel et al. 2007) but it becomes more serious when police are deployed. The police often apply excessive force to disperse community members. When deaths or bodily harm occur, this can turn a conflict into a human rights issue.

6.1.3 Protests

Despite countries claiming to uphold universal human rights declarations, protest, which is the freedom of expression, has not been well received by many poor states that are rich in natural resources. Communities still use this strategy to gain the attention of gold-mining companies and states when they have issues to air. In many cases, states suppress these moves by force, often using it excessively, resulting in bodily harm to individuals or even death (Mugini 2013, MiningWatch Canada & Rights and Accountability in Development (RAID) 2014, Barrick Gold Corporation. 2011a, London Mining Network 2011). However, when these protests or road blockades result in serious human rights issues the

profile of a conflict increases in the eyes of other stakeholders and this may result in immediate by a company (Coumans 2012: 6).

6.1.4 Vandalism

According to Merriam-Webster online dictionary, vandalism is "the act of deliberately destroying or damaging property". Host communities have for some time used this as a form of resistance to the existence of projects or perceived injustice in how project benefits and costs are distributed.

6.2   Violent conflict and localised social accountability

Studies have shown that when violence is used as a community resistance strategy the likelihood that a company will respond is higher than if other non-violent strategies are applied (Waritimi 2012, Coumans 2012). Some studies are more precise, observing that a firm will respond to local stakeholders directly and to outside and international stakeholders indirectly. The reason for this is that the former have coercive and utilitarian power while the latter have mainly normative power, and on a few occasions could show some utilitarian power (Oetzel and Getz 2012). Coercive power can achieve urgent and direct action (Oetzel and Getz 2012). International stakeholders do not apply violent strategies, but communities do (Oetzel and Getz 2012). Power imbalances leave communities with no other recourse than violence as they have no other resources to withhold (e.g. shareholders use divestment as a weapon) or access to political means (influence state policy and regulations) owing to their status (Garvey and Newell 2005). This differentiates communities from other company stakeholders (Calvano 2008). Persistent and highly publicized violent resistance forces gold-mining companies to respond because of the nature of these investments, which La Plante and Spears (2008) describe as complex, long-term and capital intensive. Their complexity stems from the involvement of a number of stakeholders with different and conflicting interests. They are long term in the sense that they are a form of investment that takes a number of years to yield profits, which means that a relatively longer stay in the community is not an option. Capital intensity has to do with the investments being a huge capital investment but also taking the form of sink capital (see Laplante and Spears 2008). Once a company enters a community it is thus some-

times forced to find all possible means to ensure that it stays; shutting down means a substantial financial and reputational loss (Calvano 2008) and possible conflict with stakeholders such as financiers who include shareholders (for example, the case of Barrick Pasua Lama where the community resisted its commencement despite a great deal of sink capital being spent. This resulted in a classic law suit where investors sued Barrick Gold Corp for negligence in deciding where to invest (Hasselback 2014)). It is in such cases that the community finds its leverage over the company (Calvano 2008, Oetzel and Getz 2012). When the community threatens the very existence of a company, the company is compelled to respond. The responses vary, with some being very far from accountability, such as community militarization (Welker 2009). But in some cases companies use voluntary CSR projects (Coumans 2012). The most these initiatives can do is to temporarily suppress resistance (Bond nd). When conflict is not genuinely resolved there is a greater chance of its re-emergence over time. This is stressed by scholars who have differentiated between conflict management and conflict transformation. Conflict management, which is a popular model adopted by mining companies, aims at "avoiding, containing or suppressing" conflicts whereas conflict transformation aims at finding "a mutually agreeable solution to the current conflict" (Bond nd: 5) .

Scholars who follow the rights-based approach have identified that communities' violent resistance shows their determination to ensure the development as promised by companies in the extractive industry, whose investments are often associated with a negative impact on the community, is inclusive (Boele et al. 2001). In the Shell-Ogoni conflict Boele et al. 2001:131), for example, observe that "Shell International eventually (if indirectly) recognized and accepted the legitimacy of the Ogoni's rights claims". This came after financial and reputational threats (Calvano 2008) became obvious.

Denying legitimacy and ignoring the claims because of a lack of credibility is usually the immediate response of many companies. When they engage in violent confrontations, companies surrender and render pragmatic legitimacy to communities, although only in the case of those communities that have persistently applied violence and withstood excessive use of force by the police.

This shows that local social accountability is violent-confrontation driven (Trebeck 2007, Trebeck 2008). On the other hand, community

management capacity is also important, as it is not easy for a large group to organize such risk action (Wils and Helmsing 2001). The poor have no political power and are thus unable to access political channels to demand accountability. In the Nigerian Ogoni and Shell conflict, the result of unmet CSR expectations led to serious violence, as scholars have argued. The company and the communities agreed that social spending (CSR) could be among the methods used to resolve the conflict (Ako 2012).

The section that follows turns to the cases of Geita Gold Mine, North Mara Gold Mine and Bulyanhulu Gold Mine; the section comprises a discussion of whether violence results in localised social accountability, or whether it is caused by its absence.

6.3   Violence at Geita Gold Mine

Blockades, vandalism, protest and illegal mining are strategies applied by the Geita community as a form of resistance to perceived injustices caused by Geita Gold Mine's operations. This section provides a discussion first of the violence at Nungwe village, followed by Nyakabale village and then moves to the continued violence of illegal miners who enter the company concession.

Nungwe residents complained that they were one of the most important host villages to the company but that they were not treated accordingly. They regarded themselves as among the most ignored host villages of Geita Gold Mine because they did not benefit from the company's social spending despite the negative effects of the mining operations they had suffered. They complained of the drop in levels of fish in Lake Victoria, which they claimed had been caused by company pollution (see chapter 5). They blamed the company for the poor condition of their roads: company vehicles used these roads to transport sand from Nungwe for construction. The vehicles were heavy and destroyed the dirt roads. This made these communities very angry with the company (FGD Nungwe 4).

As a result, the communities wanted to send a message to the company; any move that would affect the company received (indirect) community support. During an interview, I learned that their vehicles would arrive and the drivers would steal the fuel from the water pumps; village members witnessed this but remained silent. Commenting on this in

group discussions, one respondent pointed out, "*since they are stealing our enemy's property let them do so … even if I find someone on the spot taking their machines [instead of informing the company] I will praise the thief that he is a real man*" (FGD Nungwe 4). Vandalism, especially fuel-related, has posed a challenge to the company. For example, it was reported that a total of 50, 000 litres of fuel was stolen in a single incident in 2009, after the company concession had been invaded by a number of people (Bariyo. 2012). The literature defines organized theft as a form of violent conflict. This is an illustration of how theft is facilitated by conflict.

In addition, this village hijacked company vehicles to show it resistance to the destruction of their roads. Three drivers and their vehicles were hijacked because the company refused to heed their demand that company vehicles should not use village roads because the community had not been compensated for the damage they caused. Although this village did not consider the hijacking initiative as a success, it did force company management to visit the village and hear the inhabitants out. In response to some of the community's complaints, the road was rehabilitated but not to a satisfactory level. Boulders remained, making it difficult for the villagers who mostly travelled by bicycle. However, the company's first reaction was to threaten these residents with punitive action if they did not release the remaining terrorized driver and the vehicle, as two of the three drivers had successfully escaped. The company sent its chief security guard with the message, but the village did not give in (FGD Nungwe 4).

Nungwe residents were angry with the company but angrier with the community superintendent in particular because they thought he was acting as an obstacle instead of giving them access to management who could respond to their complaints. They realised that despite his office being relatively accessible it could not solve their problems, as they had received no response even after submitting their complaints a number of times. They believed that, had it not been for his office, the company management would have heard them out and resolved their problem. This office would not let them talk to management, even though it had no power to decide their fate. For its part, the office knew that the community was hostile towards it and blamed it for unresolved grievances, but it was beyond this office's capacity to solve these grievances. The office had to take the concerns of the company and the community into account but its priority was to please the company. One official agreed,

for example, that he did not report everything he was told by the community because that would have meant he had failed in his duties. He interpreted the grievances as an indication that his office was underperforming.

Similar complaints about community relations office were reported at North Mara and Bulyanhulu gold mines. This was the most unpopular departments as far as communities were concerned. While it might be true that the office had its shortcomings, it was merely an office with less power as the community is not an integral part of a company's operations.

In addition, this village had leadership problems. The community members accused their leader of siding with the company. They suspected that their leader was making personal gains by virtue of his position as the company contacted him alone in cases to do with his village. When he refused to join hands with organized vandals in the community, their suspicions came to a head. On one occasion, community members had to force him to participate in the destruction of a company pipeline because he refused to be part of it. This community regarded their leader as a traitor. It is likely that this contributed to their failure to extract localised social accountability.

The Nungwe case raises the question of the degree of violence that is necessary to extract a response from a company. It reveals the limits of violence as a resistance strategy. The villagers were turned away without a permanent and mutually agreed solution. The road that had been destroyed by company vehicles was still not suitable for bicycles and a number of other complaints made to the company remained unresolved. The community planned to protest again (FGDs). Their failure to extract localised social accountability may have been the result of their lack of persistence. One reason for this was that the village had no community management skills. The difference between this community and those that had tried and somehow succeeded (Nyakabale, for example as we shall see) might lie in the fact that this was one of the villages whose leaders were accused of being pro-company because they had received preferential benefits directly or indirectly as leaders (Interviews and (FGD Nungwe 4). Leadership is vital if collective action is to succeed (Wils and Helmsing 2001) .This is an example of a community with heterogeneous interests (Rifkin 1986, Garvey and Newell 2005) that could not be managed (Wils and Helmsing 2001), allowing the company to di-

vide and rule, which contributed to their failure to extract localised social accountability.

In much the same way, residents of Nyakabale used violence to force the company to respond to their concerns. In the case of what the company argued were security reasons, the decision was made to block the six miles of road that the community used to travel to Geita town where did do most of their business, including selling their crops in the market. The details of this case were provided above in chapter 4: here the focus will be on the violent actions of the community and the response from the company.

When this road was blocked, the village decided to take a number of violent steps. They protested, destroying company property, preventing company vehicles from passing through their village, which constituted a threat to the lives of the company employees. This was after the company's refusal to respond to peaceful community initiatives to inform them of their concerns (FGDs Ihayabuyaga). After the episodes of violence, the company submitted to their demands. It provided two buses and carried the running costs such as drivers' salaries and fuel (FGDs Ihayabuyanga and interview with company's Community Superintendent).

This case illustrates the company's recognition of pragmatic legitimacy (Black 2008). Threats and the consequences of financial and reputation loss (Trebeck 2008) forced the company to listen to the community's claims and to respond by accepting liability. This is an example of a case where a company could have escaped violence if it had responded promptly to community grievances. The community forum was legitimized by the use of violence, and claims that they had been affected by the decisions of the company were accepted as credible. The company found a solution that agreed to by the Nyakabale village. They forged their relevance as a company stakeholder by withholding the compliance that the company needed to run its operations (Ako 2012). The fact that this community could create a hostile environment when their neighbours with similar claims were not able to suggests that with community management skills (Wils and Helmsing 2001), some structural obstacles can be overcome. The community did what it did knowing that the state was protective of the company and that they were probably risking their lives because the police would intervene.

Illegal mining was a form of community resistance that posed huge challenges at Geita Gold Mine, although it was not regularly reported. As

an open pit mine, Geita attracted a number of illegal miners who entered the mine each day to collect waste rock. This became a problem when a there were reports of a number of deaths among these miners. Only a few of these deaths could be linked directly to company security guards; the majority occurred mysteriously. In 2012 alone, the company (AngloGold Ashanti 2013) reported 24 deaths According to the company's Voluntary Principles on Security and Human Rights (VPSHR) report, these deaths were mostly drownings in the water dam located inside the mine. For example, in 2012 there were 12 deaths from drowning (AngloGold Ashanti 2013). There was no demand for the company to account for these but in FGDs residents, some of them illegal miners, accused the company guards of being responsible for these deaths. These respondents argued that the guards chased intruders towards that dam, knowing full well that they would fall in and drown as it had steep banks and was full of mud; even if individuals could swim, they would have been drowned by the mud (FGDs Nungwe and Katoma). Even more seriously, these guards were accused of killing some illegal miners before throwing their bodies into this dam (FGDs). Similar incidents were reported by Al Jazeera, which interviewed Geita residents (Moloo 2013).

This company had adapted the VPSHR (Interview with the company Security Manager). It was intolerant of an excessive use of force (Interview with Company Security Manager). This may have made these security guards, who were aware of the company stance, change their strategy: technically they continued killing villagers without being implicated because falling into a dam appeared not to fall under the "death due to excessive use of force" clause of these Principles. This illustrates the failure of CSR standards like this VPSHR, that fail to independently verify companies' reports (Handelsman 2002), and of the failure of the state to protect citizens' human rights (United Nations 2011).

On the other hand, even in situations where the company admitted that its security guards had shot illegal miners, it was not ready to admit to being responsible. In one case, a particular security guard shot an individual and the company argued that it was not liable as this guard was not a company employee. The company had outsourced these security guards from an international security company (Group Four Security (G4S)). This happened in the case, for example, of the death of a 17-year-old boy in 2012, as the company's letter of condolence to his father indicates (Moloo. 2013). This is contrary to the UN's Guiding Principles

of Security and Human Rights that sees business relations' human rights abuses as a liability to a company (Ruggie's Principles) (United Nations 2011).

On examining more carefully how it was that only in-migrants and not locals were dying in the mud when there were illegal miners in these villages, the answer appeared to be that those who were dying were not familiar with the environment. They did not know the landscape; the mine was located in a thick forest with steep hills. When they were chased by company security guards they could easily end up trapped in the deadly dam, but , residents who had been mining illegally for years knew every detail of the mining concession land (FGDs). In one FGD, an illegal miner explained the extreme dangers of what they were doing and noted that the security guards were corrupt.

As far as the company was concerned, illegal mining was intolerable for a number of reasons. Firstly, there were environmental reasons. The waste rock that illegal miners collected could pollute community land (Interview with company Public Relations Manager). Secondly, North Mara officials noted that if they were allowed to collect waste rock, illegal miners would steal high-grade ore. Thirdly, there were security reasons. One company community relations manager argued that illegal miners were endangering their own safety by their own actions. If the company allowed them to enter the mine, they would do so in large numbers and start fighting. However, this ignores the fact that company security officers killed these miners, suggesting that they did not care about their lives.

As mentioned earlier, Geita Gold Mine is a signatory to the VPSHR through its parent AngloGold Ashanti. The mine has also endorsed and started applying the UN's Guiding Principles on Business and Human Rights, but only in other subsidiaries. In the case of Geita, plans were underway to implement the operational level grievance mechanism (interview with AngloGold Ashanti Human Rights Specialist). The VPSHR and the Global Reporting Initiative (GRI) compelled the company to self-report on the violence, particularly the number of deaths and the cause. Their adherence to this could have worked to their advantage by pre-empting other sources who usually amplify this type of incident in other mining companies. The self-reporting also suggests that the company realised the risk these deaths held, even before they caught the attention of activists. However, their self-reporting left questions such as why drownings had occurred repeatedly in the same water dam, ques-

tions victims' relatives or activists who cared about human rights should have asked. The story that came from the illegal miners (an illegitimate forum) did not carry enough weight as they were already criminalized, implying that they were not entitled to a company audience, which is prerequisite for the existence of a localised social accountability relationship, nor were they expected to demand this. If they had admitted that they were illegal miners they could have been sentenced to up to 6 months' imprisonment. They did not ask for this audience, as they could not articulate their legitimacy as a forum in an accountability relationship. This illustrates the importance of legitimacy and the difficulties in achieving it for the most disadvantaged groups in the community such as these criminalized youth. This also highlights the importance of community management (Wils and Helmsing 2001). The issue of illegal mining at Geita was taken largely as this group's own problem, which is a different situation from that at North Mara as we shall see, where the community as a whole spoke up against the killings of these miners.

Unlike other places, these deaths led to neither community social unrest nor NGO activism, except where a local resident was shot dead. One possible reason for this was that the bodies of those who had died could not be identified because they were in an advanced stage of decomposition, having been left in the dam for a number of days (FGDs). A second reason, related to the first, was that Geita is a region with highest level of in-migration and these in-migrants were mostly young men who came looking for jobs with the company and/or looking for waste rock, that is, illegal miners. The community revealed that there were many illegal young miners who lived in guesthouses where no records were kept of their names or where they were from (FGDs). In cases where a youth from within these villages died these residents would protest; for example, a case where a 17-year-old boy was shot dead by company guards. This is an example of a case where the community could not manage their own affairs. They made a number of complaints during FGDs but could not arrange a debate with the company to discuss their collective interests. Their attempts to protest failed from their sense of betrayal. A group discussion revealed that

> The day before yesterday we were asking ourselves, why are they enclosing us inside mine concession and leaving us. They have broken the law. We will rally, we will shut the mine, we will sleep on the road to the mine, and we will include women carrying their children with them. We already

spoke to the media [for the coverage]… But who should go first? [The group laughed] … I always tell you if you want justice at least lives of five people should be sacrificed. But who is ready to do that? Who wants to be the first to go? … When we plan to protest no one shows up. (FGD Katoma 3)

The Katoma residents agreed to being less organized (Wils and Helmsing 2001), as the quote above reveals. This was exacerbated by the fact that the state took the side of the company and the community was under no illusion as to how the state would react to their protest. When they measured the cost, many found that it would not be worth demonstrating. After all, there was no guarantee that it would lead to the company responding to their demands; for example, Nungwe's hijacking and vandalism campaign did not result in their finding a solution to their long-standing grievances.

6.4   Violence at North Mara Gold Mine

North Mara community appeared to have a greater ability to use violence to force the company to respond to their demands. One of village chairpersons made it explicit during interviews that violence was the most trusted strategy when they wanted the company to listen to their claims and demands. The leader explained that the community members were police and judges and that they did not see a need "to cry" to the district commissioner for help (Villager leader, identity withheld). As in the case of Geita Gold Mine, the company experienced vandalism, illegal mining, violent protests and, in addition, from time to time the stoning of company cars. The problem of illegal miners was also more serious at North Mara, both in terms of their numbers and the tactics they used.

For this reason, this section will focus on illegal mining; it is not possible to separate the grievances discussed in previous chapters – land and environmental pollution – from violent conflicts. Even the company agrees on this link. For example, in one highly publicised incident where police killed illegal miners, the company in its public release said that among other corrective measures it would increase its social spending budget for the community (Barrick Gold Corporation 2011c). In another report in the same year, which was a response to one NGO's (Protest Barrick) allegations that the company was responsible for the deaths of illegal miners, it repeated that it was working to assist the community in

addressing social and economic challenges (Barrick Gold Corporation. 2011b). This suggests that the company did not view illegal miners as a isolated problem but rather as being caused by the community's long-standing grievances. The killing amplified all other grievances. On the other hand, village leaders explicitly revealed that they agreed that when the village benefits and impact agreements (VBIAs) were implemented there would be no more violent conflicts with the company (interviews), something that was also stated in these VBIAs (Kampuni ya North Mara Gold Mine LTD na Kijiji cha Kewanja 2012).

As explained in previous chapters, the North Mara community has had long-standing land complaints about the inadequacy, delays and complete failure to pay compensation. Small-scale miners who had government licences had previously owned most of the land in question. The company's acquisition of their land destabilized their livelihoods and this company did not compensate them adequately. As the legal owners of the mining rights, they felt that they had the right to refuse to allow the government to take their land and give it to the company. Nevertheless, the company overruled them and tricked unemployed youth and older villagers by giving them money, as explained in chapter 4. They persuaded these individuals to provide their photographs and signatures and these were then used falsely to indicate that they had consented to the acquisition. As was discussed above, in almost every family in North Mara there was at least one person who was a small-scale miner (Goldstuck and Hughes 2010) so the whole village was affected in one way or another by the company's take-over of the mining land. In a focus group discussion, one elderly man said:

> Most of us live like thieves, as you find someone having [modern] house, food and clothing with no particular business. … why not invade the mine when mining was the only livelihood activity? If that is thieving there could be five or 10 people doing it … but when 200, 300 people enter the mine in groups to steal those are not thieves, it is poverty. They could not provide us with alternative livelihood. Mining was our cash crop. (FGD Nyangoto 2)

This quote indicates that illegal mining was a violent strategy that was not individualistic but recognized as a community's organized form of resistance. This old man was not an illegal miner, as miners were mostly young men, but he spoke as if he was one. During focus group discus-

sions one group called a boy with scars from rubber bullets to show the author this evidence of the rough treatment meted out by the police guarding the company. The degree of physical violence that this community experienced was also felt by the company. One could sense this by looking at the way the company covered the windows of its vehicles with metal grilles, as seen in a photograph taken by the author during field visits (figure 6.2 below). This was to protect company employees from stoning by the community.

Violent confrontations increased to the point where the company prohibited its staff from mixing with the community (Interviews). The major reason for this decision was incidents where company employees were killed; one was an expatriate (Interviews). There were various versions of the conflict that led to the death of these employees. The company in its statement said, "In 2008, two North Mara employees were murdered in separate incidents by intruders to the mine" (Barrick Gold Corporation. 2011b:3). Others linked the killing of one of the expatriates to the fact that he was having an affair with the wife of a community member. The result of this was that the company forbade its staff from having anything to do with the community (Interviews). This company's staff quarters were inside the mining concession, unlike the other two mines. Geita Gold had fewer, probably less than a hundred, staff quarters meant for expatriates inside the mining concession (interview senior official). Bulyanhulu had several staff quarters but these were outside the mining concession land. Both these mines housed a number of staff within the community. When I visited North Mara, there were no company employees in the area, unlike at the other two mines. It is easy to identify gold-mining companies' employees because they wear uniforms.

This mine was "too close to the river and community impact area" (Goldstuck and Hughes 2010:66). This closeness endangered the lives even of those who were not illegal miners. During field visits, I observed violent clashes between illegal miners and police that took place near the road; I took pictures using my phone camera (figure 6.4). The teargas and live bullets and stones did not discriminate between illegal miners and police: any passerby (as there was no alternative rout) could have been a victim. Community members complained of continuous harassment and unlawful arrests by police when they cracked down on intruders in their homes without any warning notice or permit (FGDs). During the year of field visits, two residents were shot dead. Some reports in the

media referred to them as illegal miners (Mugini 2013). The community's version of the incident was different. They reported during interviews that the two were not illegal miners, but had been killed while sitting in the village centre (FGDs and interview with village leaders).

This company was the most militarized, with at least 30 policemen guarding it every day (personal observation, individual interviews and FGDs), although the company claimed that the police were only called during emergencies: " … *approximately 35 Tanzanian police who arrived at the scene attempted to contain the situation based on escalating use of force"* (Barrick Gold Corporation. 2011b:1). These police officers were there permanently so the use of the word "arriving" could be misleading. They were paid allowances by the company that, so the community claimed, were much more than their low salaries (FGDs and personal communication). For this reason, the community argued that the police had interest in perpetuating the violent conflict in the area as it meant more income for them (FGDs). This increased the company's operational costs (allowances and equipment) as well as posing financial and reputational threats to the corporate parent (Saunders. 2011, MiningWatch Canada 2014, MiningWatch Canada & Rights and Accountability in Development (RAID) 2014, Regent 2011, York 2011, House of Lords 2013, The Citizen Correspondent 2014, Wa Simbeye 2014, Jacob 2014, Mugini 2013).

Figure 6.2
Company bus with windows protected against stoning by the community

Source: The author

Although there had been a number of deaths in the area from confrontations between illegal miners and police or company guards, it was not until an event in 2011 when police shot five illegal miners dead that stakeholders began to pay serious attention. These miners were shot when they allegedly entered company property to steal waste rock.

Community members, local and international NGOs sued North Mara and its regional parent, Acacia (by then African Barrick Gold) for the death and injury to North Mara residents. This case was lodged in the UK and the human rights allegations were also debated in the House of Lords on Tuesday 26 November 2013 (House of Lords 2013). African Barrick Gold was registered on the UK stock exchange. Moreover, New Zealand Superannuation Fund, one of the corporate parent's institutional investors, sold its stock of shares because of these accusations of human rights abuses at North Mara and because the company did not seem to be making as effort to change its behaviour (Barrick Gold Corporation 2013).

In an effort to respond to the criticism the company decided to build an expensive wall to keep illegal miners away while continuing to keep

police as their everyday security guards (see figure 6.3). However, this failed to work as even during the fieldwork for this study, in 2013, I witnessed illegal miners clashing violently with police, as can be seen from figure 6.4, a photograph I took as I was passing by. In the photograph, intruders (who are not visible because they were on the side of the road) were throwing stones at the police from the top of a huge heap of waste rock. The police can be seen firing teargas. Both photographs (of the wall and of the violence) were taken on the same day, which suggests that the wall did not solve the illegal mining problem.

When critics called for the shutdown of the company the former parent company's CEO argued that this was not a good idea as the company employed thousands of Tanzanians (Regent 2011). In the end the company kept to two measures: more security and more social spending (the social spending is discussed in chapter 7).

North Mara Gold Mine became one of Barrick's subsidiaries that implemented the Guiding Principles (Ruggie Principles) and VPSHR more comprehensively than Bulyanhulu Gold Mine, despite the company having the same parent. The reason for this was the pressure it experienced, as explained above; the mine was dealing with a community that could violently and fearlessly resist what it perceived as injustice but also a community that could manage its affairs and articulate its collective interests. In addition, the company kept a grievance register in each of the seven host villages' offices and offered training to police on issues of human rights, partnering with an NGO called Search for Common Ground (Interviews with Community relations Manager).

Figure 6.3
Mine wall

Source: The author

From what was gathered during FGDs these Guiding Principles were still a matter of procedure. The community did not see how they were helping them to solve their concerns and hence stop the violence. The principles the company set on how to handle registered grievances was not followed. The weaknesses observed in this study were threefold: first, the delays in collecting the completed complaint register leaflets. This was in contrast to what the company claimed to be doing, that it would take a maximum of 30 days to complete the whole process and provide feedback to the complainant on what the company had decided (Interview with the Community Relations Manager and the company posters); secondly, not providing feedback to the community when this was stated in the blueprint. Thirdly, the existence of an operational level grievance mechanism itself: although this was seen as a relief to the Community Relations Department (interview Community Relations Manager), it was perceived by the community as a trick on the part of the company to avoid meeting the complainants face to face. During interviews, these residents said that the register had instead introduced another layer of liaison officers who were mere messengers as they were not supposed to speak about anything on behalf of the company (FGDs).

As for the company, this operational level grievance mechanism informed of community grievances. It made the company aware of the extent of land grievances: land-related issues were a major source of community discontent (Interview with the Community Relations Manager). This information, if used effectively could have helped to resolve grievances in general and violence specifically. However, not failing to provide feedback limited the advantages of the system. This community was more likely going to stop reporting through this peaceful channel and to continue to rely on speaking through violence if they established that their registered grievances would receive no response.

International campaigns against this mine had influenced state responses. MiningWatch and RAID (NGOs from Canada and the UK respectively) conducted joint research on violence and human rights violation in the area in 2014. Immediately after this the Tanzanian Minister for Home Affairs and the Inspector General of Police (IGP) visited North Mara and warned police that they would not tolerate any excessive use of force (MiningWatch Canada & Rights and Accountability in Development (RAID) 2014). It remain to be seen whether this will change the situation, however, as Tanzanian police have been accused of corruption, unlawful detention and intimidation, and not only in mining areas.

Similarly, MiningWatch and RAID opened a case in the UK suing the regional corporate parent, African Barrick Gold (the name now changed to Acacia) for the deaths and injuries to a number of North Mara residents (Wa Simbeye 2014). The issue was also been raised during debates in the House of Lords of the UK where North Mara human rights abuse allegations were discussed (House of Lords. 2013).

The increased attention from external entities (Wils and Helmsing 2001) focused on the North Mara case is arguably the reason it is the only company in Tanzania that had a written agreement on how it would benefit the community: the Village Benefits and Impact Agreement (VBIA). This is common practice among extractive companies operating in Canada (O'Faircheallaigh 2013) and other countries, but in Tanzania it was only practised by North Mara, possible as a result of the threat this company was posing to the parent company's reputation. Companies such as Geita Gold Mine find this unnecessary (Geita Gold Mine Vice President Sustainability[1]). This will be discussed further in chapter 7.

Figure 6.4
Tear gas fired by police at illegal miners when they invaded the mine

Source: The author

Another measure that Barrick took was to partner with Search for Common Ground (a Canadian NGO) in order to educate the Tanzanian police on respecting human rights (Barrick Website, Interviews and FGDs), with specific focus on North Mara. This was after mounting allegations of human rights abuses by these police that also implicated the company as being complicit. The company was financing these unlawful operations, including the payment of allowances to police and the buying of necessary equipment. The company was thus taking action to educate their business associates as per Ruggie's principles.

This case illustrates how localised social accountability deficits in the matter of community grievances lead to violence and how persistent violence leads to local social accountability. In this case the accountability took the form of village benefits agreements that had some answerability and enforcement elements (Garvey and Newell 2005, Newell 2005). This community established their legitimacy through the successful use of force and the link they had with external actors. This, as other scholars have observed, raises the profile of the conflict and is a form of pragmatic legitimacy (Coumans 2012). As this accountability is relational (Bovens

2007), the VBIAs that give recognition that the company has to answer to a number of community concerns and that failure to do so calls for the intervention of the court of law are a step towards the establishment of an accountability relationship. The community's success in this case was achieved also by the fact that they could attract external actors, especially NGOs, who were recognized by companies as having greater influence (Wils and Helmsing 2001, Calvano 2008), although the NGOs may have hesitated because of growing criticism of their legitimacy as representatives of communities (Shivji 2004, Fassin 2009, Calvano 2008, Fassin 2010) if the community was inactive. Fassin, for example, calls them "stakeseekers" and observes that during a crisis company management responds to stakeseekers' demands to the detriment of stakeholders' interests (Fassin 2010), which suggests that pragmatic legitimacy was at play and that stakeholder salient feature theory (Mitchell et al. 1997) was applied here. This is possibly why these NGOs did not involve themselves much in the first case at Geita Gold Mine where most villages were relatively passive. The rights-based approach suggested by Boele et al. (2001) is also supported by this case. This community not only demonstrated that it had rights but it also successfully articulated and claimed these. Other communities such as those at Geita Gold Mine (discussed above) and Bulyanhulu Gold Mine (discussed in the next section) also had rights but they were unable to claim them meaningfully.

6.5   Violence at Bulyanhulu Gold Mine

As mentioned in previous chapters, Bulyanhulu Gold Mine is an underground mine. As such, illegal mining was not a big issue but the mine faced other forms of violence as community resistance. In this case, only one village, Kakola, had a history of violence. This had seen the company paying more attention to this village than to the rest. It is on this village that most discussions in this section will focus. An incident in which students rioted in protest against the mine will also be touched on.

Kakola was supposed to be relocated ait it was determined that it was on the company's concession land. The Kakola residents protested violently and successfully resisted this relocation plan. Among other strategies, residents blockaded roads. Workers from the company lived in company quarters that were outside the company's compounds. Whenever Kakola residents wanted to make their voices heard they would

block the road used by the staff bus and more than 20 semi-trailers to transport copper concentrte to the land port. Explaining their reason for using this strategy, residents argued that neither the company nor the government would visit them to listen to their complaints when they were asked (FGDs and interviews with village leaders). When they blocked the road, however, the company would call the regional offices in Dar es Salaam to report this as production would be halted (Village leaders). Company management and senior government officials would then arrive in the village to speak to them. It was at these forced meetings that the company had responded to the demands of Kakola residents. These included revoking the decision to relocate the village and providing the village with electricity. In FGDs, community members revealed that, had it not been for their violent protests, their village would have been destroyed. Talking about community protest as opposed to individual complaints, one group revealed, *"When you complain alone you will be arrested but if all residents complain the company would respond because it would realize that they have been a cause of community discontent"* (FGD Kakola 3). Explaining what they did to force the company to withdraw its decision to relocate their village, the group pointed out that

> … the protest to demand the fate of Kakola took place either in 2008 or 2009. The company said Kakola has to go. The company started and continued mistreating residents. For example, they put fine white material on top of the road that caused the road to be very dusty and residents were suffering due to that. When a car passed through that road it caused the dust to spread. Residents decided to block the road by sitting on it. The top government officials had to come. The Minister for Energy and Minerals and his deputy visited the place of Mr Karamagi and Mr Ngereja respectively. They also agreed that what the company did [to pour white material on the road] was wrong. They promised to tell them to remove that dust and water the road. They came and removed the dust and watered the road. They also promised that they were going to discuss the Kakola relocation issue and the village's fate would be known. Within no time the Deputy Minister came again to tell the villagers that Kakola would not be relocated. And from there we started seeing them working on bringing electricity to Kakola Village. Then after the [then] president Kikwete visited us. He also said Kakola would remain and would be recognized legally as a village. So it is the president who decided that we will not be relocated. (FGD Kakola 3)

Another group had similar views:

They come here (company's community relations staff) and give promises that they couldn't keep. Do you see these electric trunks? If you walk down there you will also see water wells. The company waited until the residents protest when they decide to brought this electricity. When we protested, the minister came and asked why these protests. We told him that we do not have social services; we wanted electricity and water. … we can say this company is not responsible. It is said that a mine is supposed to improve social services of a community where it is located. For this one the situation is the opposite. It is until we endanger our lives by protesting while knowing we could be arrested of beaten to death, if you want them to pay attention. Do you know why they would respond to this? When people protest production stops. They would start making phone calls to the government and to their headquarters. They would be directed to give us what we want. We shut roads and when we see company workers going to work we beat them. When we prepare our developmental plans and call them to contribute their answer is we don't have enough budgets for that. This company is not different from the state. They would respond when there is emergency [riots]. When you call their attention to cracks in the bridge they would not respond. They [the state] would wait until the rain takes away the bridge for them to direct a budget to that bridge. So they have learnt the irresponsibility from the government. Look at this road. It is a main road to Kahama and Geita. Can you imagine this company using this road? We are suffering a lot by dust when they transport their loads. (FGD Kakola 4)

There were other violent protests but they did not effect changes; instead, the police suppressed them harshly. These included a protest by secondary school learners who complained of a shortage of teachers because the company was poaching them to work on the mines. Teachers' salaries in Tanzania are low compared to what the company was offering to miners (FGDs and Interviews). It is possible that these learners were unable force the company to respond to these claims because they did not get the support of other community members. They protested alone as the quote below reveals:

There was a time when students protested. These were students from Bulyanhulu Secondary school. The reason was lack of teachers; they had two teachers only … they were really violent. This was in 2012. … They were

students alone. They did not get support of the community because we were afraid to join.

Moreover, other villages besides Kakola had grievances but they could not use violent confrontation, which is probably the reason their complaints received no response from the company. Residents of Bugarama, for example, felt that they had not been compensated for the village land that they had granted the company to build staff quarters (see chapter 4). Like other communities, they attempted to use violence by blocking the road so that company vehicles could not pass. Police intervened and arrested the village chairperson, stopping further protest (Interview). Even when the community succeeded in bringing the District Commisioner to the General Assembly to air their complaints he could not call company management as requested. This may have been because they did not persist with their violent resistance. They were also not in support of techniques that their neighbours at Kakola had used: *"At Kakola it is not every community member that goes into the street. They usually offer alcohol to youth to motivate them to protest. It is just a gang of jobless youth."* Kakola is a township that attracted young people and many of the youth in the area supported opposition political parties. This became clear from a conversation with the village leader. He used words such as *"peoples' power"* from time to time during interviews, which is the slogan of a strong opposition party, CHADEMA. This could also be why the company responded to a number of their concerns while completely ignoring the neighbouring village, Bugarama. Bugarama ward was under the leadership of the ruling party CCM whereas Kakola fell under CHADEMA. The risk of the politicisation of the Kakola conflict was thus higher, as in the case discussed in chapter 4 where small-scale miners' protests, championed by their union, received the support of the strongest opposition party at the time, NCCR-Mageuzi. Bulyanhulu was not generally weaker in resisting the mine but became weaker when many of their champions, a small-scale miners' association (see chapter 4) relocated to other places in search of new land to mine. As illustrated in the quotation above, this community did not act as one, and even in Kakola some individuals accused other village leaders of siding with the company. This division and lack of community management skills could have contributed to their failure (Wils and Helmsing 2001, Rifkin 1986).

6.6   Discussion

The relationship between gold-mining companies and communities has been one of conflict (Bond nd). The cases above are illustrative of how violence is used as a weapon by the poor and powerless (Waritimi 2012, Coumans 2012, Eweje 2007: 224). Violence works where communities are also equipped with community management capabilities (Wils and Helmsing 2001). In these three cases, companies were more responsive to communities' demands when they were presented via violent means than by other means. Some of these responses had features of accountability but others not. The Nyakabale village at Geita Gold Mine received compensation of two buses to solve the problem of long distance travel caused by the closure of a road that passed through the mine. This was after the community posed the threat of consequences in terms of further destruction of company property, threats to company staff security and damage to the company's reputation if they continued ignoring the community's claims. The community forum was legitimized pragmatically by the use of violence (Black 2008) and their claims were accepted as credible. For this reason, the company found a solution to which both parties could agree. This acceptance of the community as a legitimate forum came about through their insistence on their relevance as a company stakeholder by withholding the peaceful relations that the company needed for the smooth running of its operations (Ako 2012). This pragmatic stakeholder recognition is in line with Mitchel et al.'s (1997) stakeholder salience theory of power legitimacy and urgency. This community upgraded its stakeholder profile through its ability to apply violence. Other villages that played host to this company did not behave in this manner; most were unable to pressurize the company for a response because they were could not mobilize or organize themselves.

North Mara is a unique case where all villages acted as one, despite their differences and internal conflicts (clan conflicts). This is typical of a community that could manage its own affairs (Wils and Helmsing). For this reason, they were able to persevere in their use of violence to threaten the company with damage to its reputation and financial loss (Trebeck 2008). In struggling to ease the hostile environment caused by these confrontations, the company had to enter into a binding agreement with the community on how it would compensate it; this was the village benefits and impact agreement (VBIA) that was signed by the company and each of the seven villages. In addition, the company introduced an op-

erational level grievance mechanism (United Nations 2011) although this still has a number of weaknesses.

The most serious case of illegal mining did not lead to accountability at all as it was not included in the VBIAs. In this case, the illegal miners were treated as criminals, hence this form of violence – organized theft and the deaths – continued without being given much attention. North Mara Gold used police assistance to contain these illegal miners whereas management at Geita Gold Mine used private guards and their own guards. They did report that they had a plan to deploy police as their colleagues had done, however (Bariyo. 2012). The parent company's other subsidiaries in Colombia, Ghana, DRC and Guinea also deployed police (AngloGold Ashanti 2012).

The three cases illustrate that intervention by external actors or pressure, actual or simply the threat of property loss, and threats to employees' security from community violence do trigger a response. Financial loss is a major trigger in this regard (Trebeck 2008). A mixture of the perception of companies of the direct consequences of violent conflict to their property or indirectly via divestments by socially responsible shareholders constitutes reputational risk (Laplante and Spears 2008). If the response from companies is to be of a local social accountability nature, community management is important (Wils and Helmsing 2001) as was the case at North Mara. This violent community received more attention from companies than others, which has been the case in similar studies (Waritimi 2012). This kind of persistence is possible with participatory community management (Wils and Helmsing 2001). In this case, it was the threat and/or actual loss of property that triggered responses; it is possible that other reasons such as reputational risk could emerge should a company not respond in good time. The process of "grievances _accountability deficit _violence _accountability" depicts the model that the three mines used to make the decision on whether to respond to communities' demands and claims.

In both cases, a solution to illegal miner conflicts could not be found, in all likelihood because they were illegal and automatically illegitimate. Legitimacy is an important element in an accountability relationship: it is relational (Bovens 2007). Illegal miners lacked credibility because as a forum they had no legitimacy as they were labelled as criminals. For this reason, there was no chance to explore a possible solution to this form of violence although it seemed that even the companies knew that these

miners were a product of the unemployment of young people. It is possible that their deaths were not regarded as the fault of the company. The blame for their deaths could be laid at the door of state because it was the police who had killed them, or of a private company because the security had been outsourced. The company's endorsement of Ruggie's framework has made this responsibility clearer; they should have respected human rights and done so even when it was their own business relations' conduct that caused these deaths. However, this new rule of being responsible in your business relations conduct was at that point unknown to the communities that were interviewed and was not practised by companies. It did appear, however, that some of these companies knew that they would be forced to accept the rule. They were in the process of attempting to educate the police on human rights issues (for example North Mara Gold). NGOs in the home countries of these companies had begun to file lawsuits in relation to the deaths of illegal miners, targeting these companies.

I could observe the frustration of some of the staff from these departments across all the cases. For example, during in-depth interviews I learnt that these staff had to hide some information from communities and from the company. Some individuals acted as go-betweens between company management to the community. One senior respondent from one of these departments revealed that if they reported everything they gathered from the community their jobs would be at stake. He feared that the more they reported community discontent, the more the commmpany would criticise their department. Their performance was measured by the reduction in the number of community complaints. One senior officer revealed that they were concerned that top management might interpret the information they provided to mean that the community relations department was underperforming (Respondent identity withheld). In other words, when community members complained that the department was blocking their access to company management they were actually right. From the few occasions on which they talked to top management, the community members realised that the company had not been properly informed of their problems, and they associated this with the actions of the officials from community relations department.

Moreover, companies too have tried to hide the extent of these conflicts, especially where communities could not raise enough voices to win

the attention of external stakeholders. This has made scholars critical and sceptical of popular CSR modes of self-reporting because of the dilemma of transparency. This shared information could be used against the company in question. Garvin et al 2009 (cited in Kemp et al. 2011: 105) note, for example, "research highlights that mining company sustainability reports often fail to provide full accounts of conflict situations, but instead use these documents to represent their own perspectives".

6.7   Conclusion

The aim of the chapter was to answer the question, "How and to what extent were communities around gold mining in Tanzania able to use violence to resist the perceived injustices of land transfers and environmental pollution?" Using three cases as illustrations, the chapter showed that communities' ability to use violence determined the likelihood of companies responding to their claims (Trebeck 2008, Coumans 2012, Eweje 2007:224). Many communities could not apply violent strategies, North Mara being the exception. These companies used pragmatic stakeholder reasoning to decide on the most legitimate stakeholder to which to respond (Black 2008). This pragmatic stakeholder recognition is in line with what Mitchel et al. (1997) have identified as the stakeholder salient feature of power legitimacy and urgency, which is the basis for management decisions on responding to claims. When ranked using these criteria, communities could be the last on the list of a company's important stakeholders, but their decision and ability to use violence would improve their ranking. This underlines the fact that knowing one's rights should be accompanied by the ability to claim them (Boele et al. 2001), what scholars called community management skills (Wils and Helmsing 2001). Many villagers knew their rights, but they had no means to claim these. Violence was very risky as it met with police force. For this reason, only North Mara was able to claim its right because of their strong sense of community. Through the persistent protest of the whole community, North Mara Gold Mine had to agree that poverty and perceived social injustice constituted the problem and illegal mining was just a symptom. Therefore, the aggressive illegal miners of North Mara were instrumental in the community's efforts to extract localised social accountability from the company. The company responded through a binding agreement to provide the community with a number of socio-economic services. These are discussed in chapter 7. In this way, the

company implemented Ruggie's Principles comprehensively and partnered with an NGO, Search for Common Ground, to educate the police on adherence to human rights. Nevertheless, these responses occurred only after a threat of or actual consequences, suggesting that the community legitimacy as a forum was pragmatic. Had the community not applied violence, the company would have ignored their claims just as it did in the case of its counterpart Bulyanhulu Gold Mine. Although deaths of illegal miners also occurred at Geita Gold Mine, this did not lead to similar changes, arguably because the issue remained the illegal miners' problem and not the community's. In fact, even at North Mara, the company did not address all claims; for example, the issue of employing locals and how to make redress for the issue of illegal miners who had been made jobless by the mine's existence (see chapter 4). These issues were left unsolved, as a mutually agreed solution could not be found.

This chapter also showed the role of other stakeholders, including the industry, the state, corporate parents and investors in facilitating or hindering localised social accountability, and elaborated on their influence. Those supporting communities were NGOs and socially responsible investors (SRI) who applied social responsibility guidelines to make investment decisions. The chapter explained their influence on the success of communities' quest for localised social accountability through violent resistance.

The negative impact of the operations of gold-mining companies (land grabs, pollution and human rights abuses) and communities' unmet expectations of benefits that would accrue to them led to violence. This is similar to what happened in Ogoni in Nigeria where unmet community expectations of company CSR led to continuous conflicts in the past (Ako 2012).

It is concluded in this chapter that violence used by a community that has community management skills increases the chance of the extraction of accountability. The following chapter considers a common form of response to community claims and resistance by companies: social spending.

Notes

[1] He said this when responding to the author's question in a Policy Forum's breakfast debate in Dar es Salaam, on 27 February 2015.

7 Corporate Social Spending: company strategy for compensating externalities

Those relocated there [in Ghana] were paid a subsistence allowance by the mine [another subsidiary of AngloGold Ashanti] until their new lives stabilized. This was not done here. Many have had difficult lives because they were poorly compensated, sometimes because of misconduct of local government officials. Residents had retained the hope that the mine, which was said to be the second in size in Tanzania, would provide for electricity, water free of charge and the status of local schools will be upgraded. Roads would be improved at least to the murram level. To date this did not happen and that is the reason there have been conflicts between the mine and community. … They tried to build one school called Nyankumbo Girls … the construction started in year 2000 if I am not mistaken. (Interview a village leader in 2013)

As has been discussed in the previous chapters, and as is supported by earlier scholars (Campbell 2008), the relationship between gold-mining companies and host communities has been one of conflict as a result of the perceived injustice in the distribution of benefits and the costs accrued from mining. These communities suffered loss of land and environmental pollution. Some now lived in highly militarized environments because they were playing host to gold-mining companies.

When it concerns companies, social spending is usually viewed through voluntary corporate social responsibility (CSR) lenses. CSR is commonly regarded as a voluntary, non-interactive, company-centred approach. As the name suggests, CSR is intended to make a company socially responsible. The continuing existence of community grievances when companies claim to have implemented a number of CSR initiatives suggests that voluntary CSR has failed. This failure is the result of, among other factors, the ignored link between social spending and a

company's impact on the society. Most CSR literature also ignores this. For this reason, CSR has been regarded as non-obligatory, especially in non-OECD countries (de la Cuesta and Valor 2004). This is manifest in the fact that many countries of the South were either late to enact CSR laws or have no such laws in place (Waagstein 2011, Marak and Singh 2014).

Growing awareness of conditions on the ground has sparked a debate on whether CSR should remain voluntary or made obligatory. Supporters of voluntary CSR have proposed several arguments for this. These arguments claim that state regulation, specifically stricter rules, will jeopardise innovation (de la Cuesta and Valor 2004). Others argue that there are financial benefits – albeit in the long term – in investing in the society. This is known as the business case for CSR (de la Cuesta and Valor 2004). Similarly, proponents argue that there is a positive relationship between CSR and financial performance (Orlitzky et al. 2003), which means that a company should be motivated to engage in CSR, with no need for regulations. On the other hand, there is the view that the very origin of CSR is voluntary and making it obligatory would be to destroy its meaning.

Advocates of obligatory CSR argue that experience on the ground indicates that where companies are expected only to self-regulate and monitor their operations, they fall short of their own developed standards (de la Cuesta and Valor 2004). When it comes to monitoring, for example, there is a conflict of interest (Liubicic 1998, cited in de la Cuesta and Valor 2004). The financial market largely rewards short-term performance, and managers investing in CSR risk their employment because the benefits of this kind of investment cannot be realized in the short term (Vogel 2005, de la Cuesta and Valor 2004). In the same way, many consumers are unaware of or unwilling to use a product's negative impact on society to make purchasing decision (Auger et al. 2003 and Joseph 2002, cited in de la Cuesta and Valor 2004). On the other hand, it has been observed that "one-third of total global trade takes place within a company and two-thirds among companies", which is certainly true of gold-mining companies; consumer pressure might be of no use in this instance (Held and McGrew 2002, cited in de la Cuesta and Valor 2004: 279). Moreover, some advocates of obligatory CSR have noted, quite logically, that if CSR was good for business it would have been difficult for companies to find a school, a hospital or any other social service to

finance, as they would already have been taken by their competitors. On the point that companies cannot comply in "the short term", a counter argument is that if this was so then states would not legislate in other areas either, so why should CSR be an exception (de la Cuesta and Valor 2004: 280)?

However, those who believe that CSR should be obligatory do not claim the supplementary or binary division between voluntary CSR and obligatory CSR; rather, they regard them as being on a continuum that melds the two in a complementary way (de la Cuesta and Valor 2004). They do not discard the voluntary CSR proposal but propose a number of legislations either to guide, provide incentives, monitor, enforce or sanction poor CSR performers (de la Cuesta and Valor 2004). Some OECD countries have legislation in place for CSR that has encouraged their companies to perform better socially (de la Cuesta and Valor 2004). The majority of these countries, however, were still hesitant about having clear sets of sanctions imposed by an individual state or international regime that would ensure a level playing field across the globe (de la Cuesta and Valor 2004). This chapter builds on this side of the debate (obligatory CSR) by engaging with the societal form of regulation, where communities demand direct accountability from companies.

The chapter focuses on one aspect of CSR, corporate social spending. Some call this corporate philanthropy and others have named it social investment. These terms are ambiguous. Philanthropy does not recognize the existence of conflict, which can justify voluntarism. On the other hand, social investment depicts the decision to spend on social spending as being made because of expected returns, which is not guaranteed, especially in the short term. In addition, if the spending is seen as an investment, then the selection of where to spend will not take into account the concerns and priorities of the society when these do not promise the highest possible returns, for example in terms of a public relations agenda (PR) (de la Cuesta and Valor 2004). On the other hand, the two terms portray CSR as a corporate-centred, top-down approach as opposed to localised social accountability. The latter is a form of a stakeholder rights-based approach, i.e. community rights in this case (Reed 2012, Newell 2006) and hence interactive.

It is for this reason that this chapter uses the term social spending as it is a more neutral term. No matter the motivation behind the decision, a company incurs some expenditure that is links to the society (host

community). Whether this is philanthropy, social investment or an obligation is an empirical question. This chapter delves deeper by investigating what these names mean when it comes to on the ground experiences. The chapter demonstrates how some communities have been able to link these social services with the impact of the mining operations and to demand these social services as their right when others could not.

The chapter moves on to a discussion of social spending by gold-mining companies that applies a localised social accountability framework. This chapter addresses the last research questions of this thesis: "How and to what extent do gold-mining companies use social spending to compensate for their externalities? What is the role of the community in this?" More specific questions, borrowed from Bovens (2010), will be answered to establish whether the approach is localised social accountability. These are: (i) Did the company account to the community for its social spending? (ii) Was it prompt (if it did)? (iii) Could the community debate this? (iv) Did the community's judgement have consequences (formal or informal, direct or indirect)? When a company's approach is (a) voluntarism, (b) lack of community engagement, (c) top down, (d) strategic, (e) non-enforceable, (e) no answerability, the company will be considered to have applied a voluntary CSR approach. The discussion then moves on to whether corporate social spending by the company in question is obligatory (i.e. do some accountability elements exist), voluntary or a mixture of the two. The chapter will also establish the role of the community in the choice of approach taken to social spending and the role of the community in this. In order to set the stage the chapter opens with a brief description of two major approaches to corporate social spending: the voluntary CSR approach and localised social accountability. As in the previous chapters, the three cases of Geita Gold Mine, North Mara Gold Mine and the Bulyanhulu Gold Mine are used to illustrate the discussion.

7.1 Localised social accountability: making CSR enforceable

There are many definitions of CSR. These definitions form a continuum with voluntary CSR at one end and obligatory CSR at the other. Companies (and management scholars) have argued for voluntary CSR and have lobbied against state regulation. The reason put forward is that

strict regulations discourage innovation and cause corporations to fail to compete in the global market where there are both responsible and irresponsible companies (Wright et al. 2006). The EU green paper, for example, emerged after consultation with different interest groups including both NGOs and corporations. Nonetheless, it was regarded as biased towards business opinions such as voluntary CSR, as opposed to suggestions of NGOs and trade unions that there should be a minimum regulation (MacLeod and Lewis 2004). Amid growing criticism of the negative effects of corporations' operations the society, some definitions that depicted CSR as voluntary started to change. Previously, the European Commission defined CSR as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis" (European Commission 2001, cited in Newell and Frynas 2007: 673). It then changed the definition to "the responsibility of enterprises for their impact on society" (European Commission 2011: 6). The new definition dropped the word "voluntary" that appeared in the previous definitions and introduced the word "impact", which seems to accommodate the fact that what businesses were doing through CSR was not just giving back to society but also compensating it for their externalities (Ako 2012).

Scholars from humanitarian disciplines and activists who are critical of business social performance define CSR as leaning towards the obligatory end of the continuum (Utting and Marques 2010). It has been usual for this camp to use accountability instead of CSR because of the domination of the voluntary CSR camp in CSR debates. This chapter moves from a discussion of definitions to an explanation of the difference between the two approaches. In order to do this, the literature on mechanisms under which each approach operates is discussed below.

Localised social accountability, as we have seen in earlier chapters, can be defined as the relationship between a company and its host community, where the company is compelled to explain and justify its actions with the possibility of facing consequences (modified from Bovens 2007). The difference between this and the concept of corporate accountability (Utting 2008, Garvey and Newell 2005, Utting and Marques 2010) is that localised social accountability is specifically local. Whereas the CSR approach promotes self-regulation and voluntary initiatives, localised social

accountability introduces answerability and enforcement (Utting 2010, Garvey and Newell 2005).

CSR is company led and in most cases follows universal standards (Dashwood 2012) and best practices with unclear performance measurements (Emel et al. 2012, Save the Children UK 2005, cited in Utting 2008). Localised social accountability, on the other hand, is a product of community struggle, which makes it mutually designed, context specific and more community led, with commitment through the creation of a paper trail. As a result, a community can monitor implementation with the possibility of enforcement and redress (Newell 2005, Utting and Marques 2010, Chan 2014, Rasche and Esser 2006). Financial private auditors usually verify CSR reports (O'Rourke 2003), which is more likely to introduce bias because of their business-client relationship (Bendell 2005). On the other hand, CSR reports have come under attack (de la Cuesta and Valor 2004, Save the Children UK 2005, cited in Utting 2008, Emel et al. 2012). They are criticised for lacking, "relevance […] comparability […] reliability […] accessibility" (Joseph 2002 and Leighton et al. 2002, cited in de la Cuesta and Valor 2004: 284). In addition, they often miss the prime target, the community that cannot access them and verify their validity.

While CSR is a market-based and top-down approach, localised social accountability is stakeholders' rights-based (Reed 2012, Newell 2006, Boele et al. 2001). When using the CSR approach, a company usually engages in piecemeal social spending motivated by the possibility of enhancing financial performance. With localised social accountability, this spending is an end in itself (Utting 2010, Utting 2007). This implies that a company will commit to spend with or without a link to its financial profit.

CSR ignores the existence of power asymmetry between firms and communities, viewing the social spending relationship as a harmonious (win win) situation. Localised social accountability recognizes the existence of conflicts around the rights to resources (Newell and Wheeler 2006). It recognizes that too much power – instrumental, discursive and structural – is vested in business, thus answerability to those delegating it, the community, is seen as necessary (Davis 1973, Fuchs 2005, cited in Utting 2008: 963).

71.1   Binding social spending as compensation

Recently, companies work within communities have increasingly entered into written agreements with these hosts on how the latter would benefit from these companies' operations, taking into account the cost associated with hosting them. These agreements have different names. These include Community Development Agreements (CDA) (O'Faircheallaigh 2013), Impact and Benefit Agreements (IBA) (Caine and Krogman 2010), Community Benefits Agreements (Gross et al. 2002) and Global Memorandum of Understanding (GMoU) (Aaron 2012), to mention just a few. This has become a trend in large projects such as housing (Gross et al. 2002) and the oil industry (Aaron 2012), but gold-mining companies have also introduced these agreements. O'Faircheallaigh (2012: 1-2) describes them as "designed to minimize negative project impacts and ensure that local communities obtain benefits from development they would not enjoy in the absence of agreements, thus helping to reduce or eliminate conflict surrounding development". The definition provided by Gross et al. (2002), who refer to these agreements as CBAs, stresses the binding and accountability nature of these agreement. As they put it, "CBA is a *legally enforceable contract*, signed by community groups and by a developer, setting forth a range of community benefits that the developer agrees to provide as part of a development project" (Gross et al. 2002:1. Italics added). This brings these agreements into line with accountably as it introduces the possibility of facing consequences if the promises are not fulfilled (Bovens 2007, Gross et al. 2002). The coverage of these agreements differs between communities and among companies (Caine and Krogman 2010). The trend suggests that, increasingly, they cover wider issues, even those that have traditionally been regarded as impossible, such as royalty, which previously accrued only to states (O'Faircheallaigh 2012). What motivated this increase in these agreements worldwide was the ease of information dissemination that has made communities aware of what their contemporaries elsewhere are getting from similar companies (O'Faircheallaigh 2012).

7.1.2 An overview of gold-mining companies' social spending in Tanzania

The Mining Act 2010 mentions CSR in a few sentences, where it states that the Minister responsible *could* ask companies to submit their community CSR plans for approval (The URT 2010). This Act does not provide for community participation in CSR decisions, however. This law, passed only recently, reinforced the *ad hoc* nature of the social spending by these companies, as will be seen in the following sections. A recent study has placed mining at the bottom of the list of industries in Tanzania on the issue of social spending, where on average companies spent US$ 0.2m per year (TIC et al. 2012).

The World Gold Council, however, reported that gold-mining companies had spent $25 million on social spending in 2012, making Tanzania the biggest recipient of these companies' social spending monies. This led to one regional newspaper, The Citizen, to pose the question of the whereabouts of the money, as the impact had not yet been felt on the ground (The Citizen 2013). Another report reveals that of 2012's $14.4 million spent by African Barrick Gold (which has changed its name to Acacia Mining) on social spending, $9.2 million went to site overheads (see table 1) (EYGM Limited 2013). This implies that either there was poor management and design of the CSR or that there were overstatements, or both. It is illogical for a company to use more than a half its community CSR budget for internal operations. Data from this report came from the company, not from other sources (EYGM Limited 2013).

The lack of a clear policy and law on CSR may have contributed to a lack of uniformity in the way companies in the gold-mining sector were engaging with social services spending. Of the three companies in question, only North Mara Gold Mine has had a written agreement (Village Benefits Agreement) with its host community. This was signed late in 2012, after much conflict and pressure from community itself and from external actors such as SRI investors (see chapter 6). Other communities that have been unable to exert pressure to date have had no such agreements. This has made the expenditure by these companies ad hoc in nature, which is likely to fuel conflict between companies and host communities (O'Faircheallaigh 2012). As was predicted by UNRISD (2000, cited in Richter 2001: 18), companies are more likely to engage in CSR in

a "minimalist and fragmented fashion" if there is no regulation (de la Cuesta and Valor 2004). This has begun to show.

Critics view mining in Tanzania as failing to contribute to local development in the manner in which it should. One study by Tanzania Investments Centre (TIC), Bank of Tanzania (BOT) and National Bureau of Statistics (NBS), which was conducted in 2008–2009, put mining at the bottom of the list of industries in Tanzania on the issue of social spending (see table 7.1) (TIC 2013). Although this report provided aggregate data that may have allowed for free riders, the amount of US$0.2m as the two-year average for all companies was smaller than for a single large-scale mining company. With what companies report as their CSR budget, it is obvious there is free riding. This could be linked to the generality of most CSR reports that allows for discrepancies between what is reported and what occurs on the ground to go unnoticed (Emel et al. 2012). Some companies do not provide detailed CSR reports for each business unit but prefer general reporting that allows them to pick a few subsidiary companies that they can highlight. This may be exacerbated by the absence of clear regulations on CSR in general and CSR reporting in particular (de la Cuesta and Valor 2004: 280).

Companies have objected to the concept of obligatory CSR (Wright et al. 2006) taking the form of state policy (Marak and Singh 2014, Waagstein 2011) or written benefits agreements (O'Faircheallaigh 2012) as these make social spending and other responsibilities enforceable and that reduces companies' autonomy. On the other hand, obligatory CSR implies that companies are admitting that they have a bad impact on society. The Vice President Sustainability of Geita Gold Mine, for example, was not in support of the idea of obligatory CSR via written agreements, arguing that he did not see difference between companies with written agreements and those with no such agreements. He claimed that his company was committed to social spending, despite having no form of written agreement with host villages[1]. As we shall see in the next section, North Mara Gold Mine (of Barrick Gold Corp) alone in Tanzania had some form of obligatory CSR in social spending. Even companies belonging to the same corporate parent had no such agreement with their communities, such as, Bulyanhulu Gold mine. Whether having agreements or not matters is a question that the empirical part of this chapter is expected to answer.

It is worth noting that all gold-mining companies in Tanzania pay a developmental levy of US$ 200, 000 to the district council of the area in which they operate. Despite criticisms that the flat rate was too low, there was also the accusation of its mismanagement. In one case, for example, the whole amount was used to construct a wall around the district council's offices that required renovation. Interviews with senior officials from the Department of Community Relations, who sit in district council development meetings, revealed that there had been conflicts on where to allocate these funds in districts with a number of wards. In the end, the distribution made little difference as each ward received very little. There were complaints that some ward officials closer to the district management had received more, but with less or no accountability as to how they should use the money. This was the case at other mines as well; how the money ought to be spent has long been a source of conflict in these district councils. This frustrates the companies concerned because they would like to see their money making a difference in their relationship with the host community (interviews). Besides mismanagement, this money was often "spread so thin" as it was not intended for the wards hosting companies alone, but to all wards in the host district. Instead of allocating the money by turn, each ward received a small amount whenever money was received (interviews).

Table 7.1
Corporate social responsibility spending by sector 2008-2009 (in USD million)

	2008	2009	Aver-age	Per-centage
Manufacturing	4.2	3.0	3.6	30.5
Wholesale and retail trade	1.5	2.4	2.0	16.5
Construction	1.8	1.1	1.5	12.3
Finance and insurance	1.3	1.4	1.4	11.5
Health	0.5	1.1	0.8	6.8
Agriculture	0.9	0.7	0.8	6.8
Administrative activities	0.5	0.5	0.5	4.3
Accommodation	0.6	0.4	0.5	4.2
ICT	0.3	0.3	0.3	2.6
Transport and storage	0.2	0.2	0.2	1.9
Other services	0.2	0.1	0.2	1.3
Mining and quarrying	0.2	0.1	0.2	1.3
Total	12.3	11.3	11.8	100

Source: TIC, BOT and NBS (2012) Tanzania Investment Report 2012: Foreign Private
Investment and Investor Perception

Table 7.2 was prepared by EYGM, a consulting firm that provides more information on accountability and CRS self-reporting.

Table 7.2
Summary of ABG's 2012 social contributions in Tanzania (in thousands of US dollars)

	Bulyanhulu	Buzwagi	North Mara	Tulawaka	Corp.	Total
Maendeleo Fund spending						
Community support	$ --	$ --	$394	$	$	$394
Education	--	132	--	237	--	369
Food	145	--	--	--	--	145
Health	--	366	427	--	660	1,453
Other	--	16	91	75	557	738
Water	--	--	537	--	--	537
Total Maendeleo Spending	$41	$513	$1,449	$312	$1,321	$3,636
North Mara VBA & VBIA	n/a	n/a	1,600	n/a	n/a	1,600
CSR site operation costs	1,112	668	4,287	1,082	2,059	9,209
Total community investment	$1,153	$1,182	$7,335	$1,394	$3,381	$14,445

Source: EYGM Limited (2013) African Barrick Gold's total economic and tax contributions in Tanzania, 2012

Value of North Mara VBA & VBIA spending, derived using North Mara Maendeleo spending and total community investment spending.

"CSR site operation costs" include overheads associated with CSR operations, such as staff salaries, as well as spending on some CSR projects not included in the Maendeleo Fund. Figures may not appear to sum due to rounding.

Source: EY analysis based on data provided by ABG and ABG 2012 Annual Report. Data provided by ABG management were not independently audited by EY. (EYGM Limited 2013)

This quotation supports the suggestion that CSR data were in many cases not independently verified (de la Cuesta and Valor 2004).

The next section will present and discuss three cases to illustrate localised social accountability or CSR approaches. Then a comparative discussion will explain how and why localised social accountability is applied and whether it makes a difference. The cases cover the five social spending areas of education, health, water, employment and roads. These social services were selected because they were the most reported across the three companies, allowing for some degree of comparison.

7.2   Geita Gold Mine's social spending

Geita Gold Mine is a subsidiary of AngloGold Ashanti. It follows this corporate parent's CSR policy and standards (Interviews with Public Relations Manager). AngloGold Ashanti's CSR standards, which it calls "sustainability standards", cover the seven key areas of artisan and small-scale mining, community complaints and grievances, cultural heritage and sacred sites, engagement, indigenous people standards, land access and resettlement and social economic contribution standards (AngloGold Ashanti. 2011). While many of these standards are closely related to previous issues, the last set of standards – social economic contribution – is relevant to this chapter.

In its document "Management standards: socio economic development" AngloGold Ashanti explains that, among others, its impact on society would be used to the social spending, as the quote below reveals:

It is AngloGold Ashanti's value intention that the communities and societies in which the Company operates will be better off for it having been there. This is achieved through, among other things, the Company's socio-economic contribution in the host country, including economic value gen-

eration and distribution. Partnerships (public and private) can be a catalyst for achieving these goals. The scope of socio-economic contribution can vary considerably, depending on the nature of the site, on *the levels of significance of its associated impacts*, on the vulnerability of affected groups living within the areas of influence and on the mine's stage of development. This approach to sustainability calls for integration of community development and economic considerations into core business decision-making. (AngloGold Ashanti. 2011)

Simply put, this means that wherever there is some impact, the company's social spending should be an obligation. As there were complaints from these communities, specifically those in Geita, these services should have been provided as compensation. Despite this, experience on the ground paints a different picture. The social services were not linked (at least not explicitly) to the company's impact on the community. There was no trace in the document of the elements of local social accountability. The only accountability element mentioned was reporting through the Global Reporting Initiative (GRI) and Extractive Industry Transparency Initiative, both of which were inaccessible to host communities (see AngloGold Ashanti. 2011). This may have been a type of upward accountability and accountability to other powerful stakeholders, but not accountability to host communities. The social economic spending described below reflects this deficit in localised social accountability and is evidence of Geita Gold Mine's inclinations towards the voluntary CSR approach.

One of the areas of social spending at Geita Gold Mine was a special vocational training programme (VETA Moshi College): its parent AngloGold Ashanti and African Barrick Gold (a corporate parent of Bulyanhulu and North Mara Gold mines) contributed more than 80% of the funding of this joint programme, in partnership with the government (World Gold Council. nd). It is apparent that a shortage of technicians motivated this project (World Gold Council. nd). The programme targeted youth from host communities who had completed secondary school and had performed well in mathematics; the sponsoring companies would then employ them.[2] This programme provided no mechanisms for community engagement, however (Individual Interviews and FGDs) and the community had no control over the project. The company advertised the availability of these opportunities for youth who had performed well in the required subjects but selected only a limited num-

ber of individuals. These young people had no choice in the course they were to follow; this was intended to supplement the sector's labour component. There is no denying that this benefited those who were selected (about 25 of them by the time of this field visit) but the process was not interactive and there were other irregularities (complaints about corruption, for example) which could not be questioned (FGDs) because the community considered this as a favour and not their right. In other words, this project was a strategic, instrumental or what is termed a business case (Porter and Kramer 2006, Wright et al. 2006), with most design and monitoring power vested within the companies. This exemplifies a top-down form of social spending that is typical of a voluntary CSR approach, where social spending is seen as a means to improved financial performance (Reed 2012). The company also referred to its social spending as "community investments" and defined it as "an investment of resources, including funds and in-kind contributions in the community where the beneficiaries are external to the company" (AngloGold Ashanti. 2011).

Other expenditure included a girls' secondary school that Geita Gold Mine constructed at Nyankumbo with a budget of $4 million. This amount seems large but if divided by the considerable number of years the project took to complete, it is not exorbitant. The project had no explicit link to company benefits or their impact on the community, although it could be generally regarded as compensation for various externalities (see chapter epigraph). In this quotation, the community refers to the school as part of the benefits of hosting the company and compensation for its impact (Interview village leader). The community had no say in the design of the school, however, and there was no form of written agreement. Spending on a large project such as this, with no clarity on the rights of the community and obligations of the company led the community to assume that this was to compensate them for externalities, although they were uncertain about this and thus could not question the delays. In addition, the community agreed implicitly to carry the cost of being a host community (that is, the effects of land grabbing and pollution) in the hope that this development would compensate for the damage to their lives.

Geita Gold Mine community could not harvest rainwater as it had been polluted by the company's emissions to such a level that was not safe for domestic use (Individual interviews and FGDs). Although this

pollution was visible (the water had turned dark), the company had informed community members about this level of pollution, indicating that it accepted responsibility. The Geita Town Water Project, a partnership between the company and the state, had no explicit link to this particular externality, however. As a result, it was implemented not as an obligation but as a voluntary CSR project, resulting in delays in its completion.

Geita Gold Mine undertook to spend US$ 4.9m on this water project in partnership with the Tanzanian government. In terms of this partnership, the company was to spend Tsh9bn (US$ 4,511,610) and the government Tsh6bn (US$ 3,007,740), in all probability because the primary motivation for this project appeared to be to connect water pipes from Lake Victoria to the company for mineral processing. Extending the pipes to Geita Town then became a strategic decision, particularly as the government was ready to inject money into this project. However, the government failed to fulfil its promise. As a result, there were delays to the water project and completion was set for August 2015 (Correspondent 2014). On 27 February 2015, the author attended a monthly policy breakfast debate organized by the Policy Forum in Dar es Salaam. The Policy Forum is an initiative of number of NGOs operating in Tanzania. The forum debates various themes each month; February's topic was whether CSR in Tanzania should be obligatory or not. The author participated as this issue was particularly relevant to this thesis. One of the two presenters was the Vice President for Sustainability of Geita Gold Mine. Among the issues he touched on during his presentation was this water project; his presentation was in fact about how much the company had contributed to the community at that point, and not on the key theme at all. He reported that the company had finally decided to cover all the costs of this project because, owing to budget cuts, the government was unable to contribute.

This is an example of a situation where, because CSR was not obligatory, the company escaped blame for the delays. This despite the fact that its pollution contributed to the suffering caused to the community by a lack of clean and safe water. The community had no control over the situation or any formal relationship with the company on this project. Decisions and control were company centred. There was no agreement between the community and the company that stated that the former would be provided with safe water or that explained how the company's externalities would be compensated for, as would have been

the case in other countries (O'Faircheallaigh 2012) or at North Mara Gold Mine, as we shall see in the next section.

As far as issues to do with community health were concerned, the three companies saw TB, malaria and HIV as posing a threat to their operations. Geita Gold Mine quantified the loss from malaria in terms of employee absenteeism per year (AngloGold Ashanti. 2007). These were all transmittable diseases that necessitated the extension of spending to cover the host community as company's employees lived inside the host villages. The increase in the occurrence of these diseases was blamed on mining activities, both large-scale as well as artisan and small-scale (ASM), because of the related increase in in-migration and pollution. This made company spending obligatory. Nevertheless, Geita Gold Mine spent largely selectively on its staff and when it came to the host community, it donated to the government's district hospital, taking a philanthropic/voluntary approach. For example, the company donated an X-ray machine, which was later stolen. This spending was instrumental and top-down in approach, as in the case discussed above.

Furthermore, Geita Gold Mine spent money on the construction of roads. These were largely those roads that served the company's operations, specifically those connecting the mine to the land port, Isaka. The company also constructed a road to Nungwe Bay to service its water pumping machines. All these were "all-weather" murram roads, and were of service to communities as well. Village streets were not a priority to this company although there were complaints that company vehicles were causing air pollution and destroying community roads, as in the Nugwe violence case discussed in chapter 6 and the Ihayabuyaga roads. Thus spending on roads was also a strategically selected target area where the company benefitted directly (Porter and Kramer 2007).

A relatively large number of Geita Gold Mine community members, particularly from villages closest to the mine, were working or had once worked for the company (FGDs). It was therefore not surprising to find lower levels of social unrest in Geita than in places like North Mara where the mine did not recruit locally. This may have linked the community and company more closely and built a type of dependency relationship.

The social spending of the company indicated that its spending decisions were directly linked to its operational benefits. Where the link was not obvious, the project implementation was problematic, which was

signalled by delays. The community could not force the company to accept this spending as its obligation. Even when there was no denial that the company was responsible for the difficult situation the community was in, the company still experienced no pressure to accept liability. As a result, the company set the pace for the implementation of social services projects such as the water project. Geita Gold Mine had no written agreement on how the villages would benefit or what costs they would incur, which is now a common approach in other countries where community land is taken by developers (Caine and Krogman 2010, O'Faircheallaigh 2010, Gross et al. 2002). This was the case in North Mara in Tanzania, discussed in the next section. Without being pressurised to do so, the company would not enter into in a binding relationship, as was observed by one of its vice presidents, the Vice President Sustainability, in a Policy Forum debate. He pointed out that he saw no importance in having written village agreements like North Mara Gold Mine because even without these the company was committed to spending on social services for the community. The cases presented above expose some weaknesses in these unwritten commitments, suggesting that it is likely that a written contract would achieve more.

With no written agreements, the community could only make assumptions. This set this community apart from other communities that play host to extractive companies. The latter have demanded written impact and benefits agreements (in their different names) across the world, as observed by O'Faircheallaigh (2012). This type of agreement reduces conflict as the fact that they are in written form increases the likelihood of their being enforced (O'Faircheallaigh 2012, Campbell 2008). This community could not use ongoing violence as their contemporaries at North Mara (see chapter 6), which may have been why the execution of projects that would not directly benefit the company (water and education) was slow and the community was unable to challenge this. Such resistance requires an active community that is organized and mobilized (Wils and Helmsing 2001) to apply pressure for localised social accountability (Garvey and Newell 2005).

7.3   North Mara Gold Mine's social spending

Like other gold mines, North Mara Gold Mine engages in the provision of various social services to its seven host villages. However, it does

this differently in the sense that this provision contains some elements that could foster accountability. This thesis will discuss four social services that this mine spent on: water, roads, health services and education, and will touch on the fact that the mine did not employ people from the community.

North Mara provided water services to its seven host villages, using tankers that distributed water daily (observations, FGDs and interview with Community Relations Manager). This was a temporary solution to the water shortage in the area. The company had a long-term plan to dig wells that would produce enough water for the seven villages. Water was not provided in an ad hoc fashion but was part of the written agreements in VBIAs. I will discuss these VBIAs below. This commitment, which was similar to other social services, did not come freely. It was one of the outcomes of the community's struggle and its ability to force the company to operate in a hostile environment (Interview with a village leaders and observation). Added to this was the fact that their demands that the company engage in water provision as an obligation were valid as the mine's operations had limited their access to water. More importantly, however, this community could articulate this impact as demanding an obligatory response from the company.

The mine received land that extended into an area containing a number of community wells. The company had also been accused on several occasions of allowing the mine to pollute the river Tigithe, a river on which the North Mara community depended, as was discussed in the chapter dealing with environmental pollution (chapter 5). This community fought actively for redress and it was among the few communities that used ongoing violence (see chapter 6). This forced the company to assume the responsibility of providing alternative water sources. As an assurance to the community that the company was not making empty promises, this was put in writing: not only would they provide water but also within a specified period of time. This came about through so-called village benefits and impact agreements (VBIAs). The VBIAs were between the company and each individual village. The company identified seven villages that qualified to be host communities. In these VBIAs it was explicitly stated that a peaceful operating environment was among the returns the company would receive if it implemented these agreements as promised. During field visits, I witnessed a company vehicle being used to distribute water. According to interviews with village lead-

ers and the company Community Relations Manager, other projects were underway. Leaders had few doubts about the company's commitment to fulfil these agreements.

North Mara spent on health services, in particular the upgrading of a dispensary (Sungusungu Dispensary); this is similar to what took place at Geita Gold Mine but in the case of North Mara, this occurred with a written agreement and within a stated period. This was despite the fact that this company's employees did not benefit from these services as they lived inside the company compound and were forbidden to mix with the community, as discussed in chapter 6.

This company did not recruit from the community; although it was stipulated in African Barrick Gold's CSR charter (the corporate parent) that host communities should have priority when staff were recruited. North Mara Gold Mine did not recruit from the host community at all and employment was not mentioned in these VBIAs.[3] This may have been the result of a lack of trust (see chapter 6) but could also have been a sign that the VBIA had been negotiated. The fact that one of major complaints from this community was that the company did not recruit locally (FGDs), and yet employment was not mentioned in VBIAs, suggests that the negotiation power was distributed unequally between the two parties with the company remaining more powerful. Another explanation of this could be that the representatives of the community could not represent the concerns of the whole community; this was an issue of representation. Lack of employment is among the reasons youth are attracted to illegal mining (see chapter 6) and young illegal miners may not have been represented in these discussions as they had already been labelled as criminals. Earlier scholars writing about the concept of VBIAs warn against such exclusion (O'Faircheallaigh 2010).

This issue of "locals" not having access to work in mining companies they host is mentioned in the literature. These locals include in-migrants (Pegg 2006), most of whom are young men. Pegg (2006: 378), for example, observes that the problem is exacerbated by the fact that it is not just "original residents" who seek employment on these mines, but also "newcomers". As discussed in chapter 6, illegal miners comprise both groups. At North Mara about the question was not about absorption capacity, however: it was, arguably, selective and purposeful discrimination resulting from a lack of trust between the company and the community.

Other social services that were covered in VBIAs included rehabilitation of roads (Kampuni ya North Mara Gold Mine LTD na Kijiji cha Kewanja 2012). The author also observed company vehicles watering village streets to lay the dust, something residents said was done daily. Nonetheless, the residents continued to complain that the effects of this watering lasted only a few hours and did not completely solve the dust problem. Neither of the other two companies committed themselves to rehabilitating village streets. They both focused on main roads used to transport their production input and gold.

Education is one of the areas that North Mara Gold Mine spent on and at the time of this study, there were plans to do more (Interview with Community Relations Manager). The company had built standard classrooms and teachers' houses at both the primary and secondary schools. It offered tertiary education scholarships to local youths, although this was for a limited time only and led to confusion as many residents thought this would be an on-going project (FGDs). The company informed the community that it was part of the "one percent royalty" they paid to compensate villagers whose land had been taken for gold production, as discussed in chapter 4 (interview with the Community Relations Manager). Miscommunication was among the main challenges that the company mentioned as huge difficulty, not only in this case (Interview with the Community Relations Manager). The village chairpersons were the only link between companies and community (Interviews and FGDs). The company Community Relations Manager pointed out that they could have avoided some of the conflicts with the community if the village leaders had been more transparent with their constituents. When they discussed and agreed on community development projects, they misrepresented this to the community or did not report it at all. The manager also pointed out that these communities did not conduct village assemblies as required by law and the company was aware that the North Mara community knew very little about the company-community plans and their execution. Unfortunately, these village leaders were the only channel the company could use to communicate with the host community. This manager had devised a plan to distribute pamphlets among the villagers, which would explain what they intended to do for the community in terms of social spending.

As has been discussed, North Mara Gold Mine was the only company with mechanisms in place to ensure a mutually acceptable design for its

social spending. The company achieved this through the VBIAs that were signed between the company and seven villages. Five of the seven villages involuntarily surrendered their mining claims to the company. The remaining two were added to the list because of their proximity to the mine (interview North Mara Community Relations Manager). These VBIAs were the product of persistent confrontations, some of which proved fatal (refer to chapter 6 on violence). According to the South African Institute of International Affairs, the levels of violence at this mine threatened the viability of mining operations (York 2011). This is proof that, despite being antisocial, violence works for the poor (Garvey and Newell 2005). Most social spending at North Mara was covered by VBIAs with an implementation period of no more than three years and a budget of 13.5 million USD (Salim 2013). There was a provision in the VBIA that allowed for the possibility of intervention by a court of law when all other means of resolving disputes had failed (Kampuni ya North Mara Gold Mine LTD na Kijiji cha Kewanja 2012). This made this spending the community's right and the company's obligation, which is an important element in an accountability relationship (Reed 2012, Newell and Wheeler 2006, Boele et al. 2001). In order to ensure that the company solved community complaints when they were raised, North Mara Gold Mine established operational level grievance mechanisms that, despite several weaknesses (see chapter 6), were taken more seriously by the company than at its counterpart, Bulyanhulu Gold. There were also community liaison officers at North Mara Gold Mine something not seen at the other two mines. These two initiatives had a number of limitations though, which were of course not included in their CSR reports. As observed by other scholars, these reports may have been carefully prepared according to a public relations agenda. This is a weakness of many CSR self-reporting mechanisms (Emel et al. 2012). These reports were presented to the general public rather than to "the significance other" who could debate them, as accountability relations require (Bovens 2010: 951). Arguably, this may have helped to deflect from other companies belonging to the same corporate parent that were performing poorly in social spending, such as Bulyanhulu as will be discussed below.

The North Mara case illustrates arrangements that the community and company entered into to create an environment where localised social accountability could be established. The community's ability to articulate its claims and drive them forward, regardless of the means they

used, helped shape this relationship. This community was regarded as more legitimate and its claims that its members should benefit from gold mining operations were regarded as credible, something that other communities, even those hosting companies from African Barrick Gold (the same corporate parent) did not achieve. Nonetheless, this success was not achieved overnight, as the company tried at first to deny them these rights

7.4   Bulyanhulu Gold Mine's social spending

Issues concerning this company and community have been discussed in chapters 4 and 5, dealing with land and violent conflict. It is important to mention these again here in order to provide a background to social spending. Bulyanhulu Gold Mine and North Mara Gold Mine belong to the same corporate parent. Bulyanhulu has a strong small-scale miners' union that has driven most of the community complaints on issues of land and human rights abuses and has attracted the support of politicians, local and international activists (see chapters 4 and 6). Conflict at the time of the mine's inception attracted the CAO's attention and the community's complaints were investigated. Although the CAO disputed most of the human rights claims, it recommended social spending, noting that the community had been negatively affected: they were worse off after the establishment of the mine (CAO 2002). During the mine's inception this company spent readily on social services, possibly influenced by the CAO's recommendations. Unfortunately, the strength of the small-scale miners' union could not be sustained, probably because the numbers of these miners had dropped now that most of the area was under the ownership of a large-scale mining company, Bulyanhulu Gold Mine. Many small-scale miners had move elsewhere to re-establish their mining activities (see, for example, CAO 2002). New people moved in who sought employment in the company (FGDs). This resulted in high levels of in- and out-migration and Bulyanhulu community's resistance became weaker. Small scale miners were more organized and mobilized than the rest of the community. They had a union with enough money to hire lawyers for instance (see chapter 4). The community's energy was badly affected by their departure. This is because the union championed the community resistance. While some remained in the community, they became less powerful economically as they were forced out of mining work (FGDs). This suggests that the hostile situation during the mine's

inception and a threat to reputation forced this company to spend more in the form of social spending during this period than it would otherwise have done. A discussion of the social spending by this company is discussed below.

It is important to describe social spending by Bulyahulu Gold Mine over time. During the mine's inception, the community could attract the attention of the new owner of the mine, the Barrick Gold Corp. With time, this attention declined. This, as mentioned earlier, was partly the result of a loss of power by the small-scale miners union, the champions of the community in this local activism . The decline in community activism was followed by a decline in focus among Tanzanian and foreign activists on this company's relationship with the community.

Bulyanhulu Gold Mine's social spending was far lower than other companies under the same parent (for example, North Mara Gold Mine) (Interviews with Leaders and table 7.2), despite its being the biggest investment and the first investment for Barrick in Tanzania. Below I will discuss this company's social spending based on data from online reports (including CSR reports), FGDs and interviews.

One element of social spending reported frequently by the company as a success story was a project designed to improve the level of education in the Kahama District (Barrick Gold Corporation. 2007). This project was intended specifically to improve the quality of education of the Bulyanhulu community, with a focus on the education of girls (Interview with CARE International Tanzania Programme Coordinator). This project was run in partnership with CARE International Tanzania (an NGO). Although the company contributed $2 million, CARE mobilized community members to contribute their labour as a way of encouraging them to participate and to own the project (Interview with the programme coordinator from CARE). This was claimed to have contributed to improved education performance in Kahama, a district once among the lowest in the country's rankings (Interview with CARE Tanzania Programme Coordinator).

When discussing the project, some community members questioned the contribution by the company, observing that they had built the classrooms (FGDs). This perception also emerged in interviews with the CARE programme coordinator who complained of the community's reluctance to accept the initiative. He reported that he had faced challenges in convincing the community to engage in the project (interviews).

One reason for this may have been that the initiative was introduced at a time when the company was in dispute with community over land.

This project ended six years later, in 2007, and the partnership was dissolved (Interview CARE Tanzania Programme Coordinator). The company reported that it was continuing its engagement with community education through its own community relations staff (interview with Company Community Superintendent). Since then their spending on education has seen a decline. For example, the company stopped its sponsorship of students' secondary education failing to pay their school fees. This caused consternation when students went to fetch their school certificates as the school's management demanded that they pay their fees first (FGD Bugarama 1). One respondent explained, "*For example, in this secondary school there were around 20 students under the company's scholarship, when they completed their school they were told they can't pick their leaving certificates because their school fees because the company had never paid for the same*". In another interview, a village leader made a similar complaint:

> When we had our [gold-mining] pits, a parent had money to send his/her child to school.But now we parents don't have the ability to do so. … in general we don't benefit [from the company]; we expected that we will get hospitals, or a health centre, tap water, so we could run our lives independently. We have asked for number of assistances but they refused. We have asked for school desks; they refused. We have asked for electricity for our school; they refused.

The only [observable] contribution to education to date has been the few classrooms that community members built and for which they demanded credit to prevent the company from "taking it all". They argued that they had invested their labour. Table 7.2 adds to the evidence of a decrease in the company's education budget. The table shows that in 2012 Bulyanhulu Gold Mine did not spend on education at all, unlike its sister company from the same parent African Barrick Gold. Other evidence provided in interviews revealed this to be becoming a trend.

The company formed a second partnership in social spending. The company teamed up with AMREF on a project to provide health services. The company engaged in community health by providing education and sensitization on the issue of HIV AIDS. This project lasted for a specific period only. At this point, the company appears to have

stopped spending on community health in this community, as reflected in Table 7.2. Bulyanhulu Gold spent no money on health during 2012.

The approach to social spending on education and other social services followed by Bulyanhulu Gold Mine appears to support the argument that voluntary CSR is a piecemeal approach (Utting 2007). Lack of formal commitment, such as a MoU or any form of traceable agreement, as existed at North Mara Gold Mine (the sister company), meant that this community was unable to drive forward their claims and complaints that they had received little from the company in the form of social services, despite the upheaval they had experienced. The only basis for these claims was verbal promises or their perceptions of how the company should have treated them as its host community; that is, distributional justice. This echoes Kemp (2011) and others, who have revealed that "corporate self-regulation alone is inadequate for achieving justice in the face of resource-related conflict" (Bebbington and Bury 2009, cited in Kemp et al. 2011:95).

The community complained about the fall in company social spending when they met their MP, as a comment from a local newspaper describes:

> The relationship between the mine management and the villagers has been tense due to the fact that the mine has not been providing community services, including contributing to the construction of schools and dispensaries. (The Guardian Reporter 2012)

Senior officials from CARE and AMREF were interviewed on their experience of collaborating with these gold-mining companies and whether it was in their interest to influence the companies' human rights conduct. A CARE official gave a generic response that his organisation usually conducted a human rights due diligence study before entering into a partnership with any organization. He also pointed out that the partnership started in Canada with CARE Canada and that he assumed this organisation had done this (Interviews). The answer from AMREF's respondent was not very different. He argued that for AMREF, human rights were key issues and he therefore assumed that the headquarters had checked before entering into business relations with companies in gold mining. This suggests that human rights due diligence was established at the outset, that it was a once-off event and that it was the top management or headquarters' business. It was not a continuous process.

If it had been ongoing, the field officers would have been well versed in its details as NGO key informants. Instead, they referred to human rights policy, not everyday practices.

As the expenditure for 2012 indicates (see Table 7.2), there was no budget for water, an expense experienced by several companies in the sector. The community saw this as a decline in company social spending. It complained of having wells that were dry. These had been dug by the company during the mine's inception. Now no one was prepared to pay the cost of the maintenance.

Other than this, Bulyanhulu Gold Mine spent largely on roads that also served their operations specifically by connecting the company to the land port; Isaka. This road also connected Bulyanhulu to other places but it was blamed for the dust that residents had to live with. The road was very busy, with a number of large vehicles transporting mineral sands to the port every day. The only village streets that the company rehabilitated were those connecting the company with its staff quarters.

Bulyanhulu Gold recruited it workforce from the local surroundings, unlike North Mara Gold Mine. This may have reduced community resistance despite the shortfalls in social spending. There were some complaints though, about corruption connected to recruitment (FGDs).

Table 7.2 provides more evidence. This table highlights the fact that this company, with a department to deal specifically with community relations, has no annual budget for social services. The only expenditure reflected in the table is for food. This was an emergency issue, however, as the area faced drought from time to time and the community may have requested the company's assistance in this regard.

Table 7.2 provides a general picture of social spending by Bulyanhulu Gold Mine in relation to other mines under the same parent company, including North Mara Gold Mine – the previous case. This suggests that the difference may lie in the fact that the community did not have the means to demand social services as compensation from the company; in other words, it was not true that these communities were less affected by the mining operations and thus had no claim to compensation. In an earlier study by Dashwood (2012), one of the Barrick Gold Corp corporate executives referred to an incident in which the Bulyanhulu Gold Mine community rejected a market built by the company as a lesson that next time the company should be more engaging. Subsequently, these modern

market buildings were converted into company training/seminar venues, while the community continued to use its old market with its poor infrastructure. The community rejected this new market, as it was a long way away from the old one, with the purpose of moving Kakola village nearer to the new market (interviews). Kakola resisted relocation and the market building became of no use to the residents. Such incidents did not change the company's approach, however, and it did not become more engaging, although things were somewhat different in the case of its North Mara Gold Mine business unit, where an MoU was adopted..

In all this, one village, Kakola, did remain active to some extent, as we have seen in chapter 6. This village was able to create a hostile environment whenever it wanted the company to pay attention to its demands (FGDs, Interview Village Leaders). Its leader commented in interviews: "*Do you know how we managed to get electricity? This was a result of confronting the company, blocking the road, massive demonstration etc.*" The village also complained of receiving fewer benefits, however. A village leader expressed this complaint: "*They built only 3 wells … for a village with 20,000 residents ... the wells were no longer working; they came and do some little maintenance. They don't use durable materials*".

7. 5   Discussion and Conclusion

Social service provision by gold-mining companies to communities is an obligation as part of compensation for the socio-economic impact of their operations. Unfortunately, this has largely remained an ideal, as has been illustrated by the cases described in this chapter. The chapter explored social spending by the three gold-mining companies, Geita Gold Mine, North Mara Gold Mine and Bulyanhulu Gold Mine, using a localised accountability framework. This was an appropriate framework in this instance: as an interactional and relational approach, it makes social services the right of communities (Boele et al. 2001) and the obligation of companies. The key questions were how and to what extent a gold-mining company used social spending to compensate for its externalities, and what the role of the community is in this. From these general questions, a set of specific questions on accountability, borrowed from Bovens (2010), was answered: (i) did the company account to the community on its social spending? (ii) Was this prompt? (iii) Did the community debate its social spending? (iv) Did its judgement have conse-

quences (formally or informally, directly or indirectly)? Indicators that the company was still applying a voluntary CSR approach in its social services spending were: (a) voluntarism, (b) lack of community engagement, (c) top down, (d) strategic, (e) unenforceable, (e) no answerability.

Social spending by all three companies could be linked to their externalities, either explicitly or implicitly. Some spending was linked directly to business enhancement, thus strategic. Water services were linked to pollution by the mine, especially those mines that used open pit technology, that is, Geita Gold Mine and North Mara Gold Mine. Geita Gold Mine had an interest in bringing water from Lake Victoria and extending this to the community in partnership with the state; this was thus strategic. The community phase of the project took far longer to complete because the government could not fulfil its promise to the company to share the cost. Similarly, spending on health could be connected to the increase in communicable diseases (e.g. HIV AIDS), partly as a result of the presence of large-scale mining operations that attracted a number of in-migrants and caused high levels of human mobility. Construction and rehabilitation of roads was more important to companies because they depended on these roads to transport gold and other materials. VETA scholarships were meant primarily to benefit these companies as they had a shortage of mining technicians. Expenditure that had no direct link to company externalities included the Nyankumbo Girls Secondary School.

However, in all three cases communities regarded this social spending as a specific or a general form of compensation. They considered it their right although they differed in the way they claimed this. There were those who opted for dialogue, attempting to have an audience with the company concerned. When they did manage to gain access to the company, in rare cases, their claims and demands were not addressed. There were those who used violent strategies such as mass demonstrations, blockades and illegal mining. These groups were more successful in eliciting a response from companies. The majority were unable to demand that the company deliver these services as they expected, as an obligation that is. Even a direct link to company externalities was no guarantee that companies social services would follow an accountability approach.

The ability of communities to articulate these social services as their right but, more importantly, to fight violently for them was identified as a determining factor in a company's decision to make these services an

obligation and to account for their implementation. This is similar to what happened in the case of other issues (land grievances and environmental pollution), where community management capacity (Wils and Helmsing 2001) was essential if companies were to be forced to respond. Companies that were not pressured into regarding these services as an obligation (Geita and Bulyanhulu) decided alone on the modalities of spending. The communities could not question the delays, inadequacies and other concerns. Only one company, North Mara Gold Mine, regarded most of its social spending as obligatory. There were written agreements signed by the company and the communities concerned as binding and enforceable; these were the Village Benefits and Impact Agreement or VBIAs. The community had the power to take the company to court if misunderstandings could not be resolved in the course of implementing this social spending.

The difference in the approach followed by this company in its social spending was the result of the community's ability to use violence as well as its level of organization and mobilization. The more violent and organized a community, the more likely it was to receive more social services as its right and as the company's obligation. Extremely violent communities were rewarded by obligatory social spending. The less violent communities received less in the form of voluntary CSR. These findings support Zandvliet's argument that the more "difficult" the community, the larger the social spending budget it will receive (Zandvliet 2004, cited in Trebeck 2007: 545). This "difficulty" arose from a community's ability to organize and mobilize, which other scholars have found to be important features of community management (Wils and Helmsing 2001). This was also a result of the on-going use of violent confrontation to demand what communities perceived to be their rights (Boele et al. 2001). In this case, these two factors worked in tandem as it was not easy to use violence in a context where police working as company guards had a poor record of protecting human rights (as seen in chapter 6). This required a high level of mobilization and organization.

Even in this relatively successful case, the company's decision to have a MoU on social spending was not prompt and was implemented only at the end of 2011. Operations had begun early in the 2000s and the current owner took over the company in 2006. This move came as the result of violent community resistance supported by external stakeholder's concerns and actions; for example, some institutional investors abroad

sold their stocks (chapter 6). It is still too early to say whether the community has the ability to enter into meaningful debates with this company when they have issues and disagreements on the implementation of these agreements. It is also too early to determine whether they will be able to apply sanctions when they realize that the company cannot fulfil all or part of the obligations as promised. But features of this MoU, especially the clause on how to resolve misunderstandings if they arise and that allow unresolved conflicts to be taken to a court of law give this MoU of the characteristics of an accountability relationship as there are consequences should it be breached. Threats or actual consequences for such a breaking of the terms are among the key aspects of accountability (Bovens 2007, Bovens 2010).

This chapter demonstrated that the social spending of two companies, Geita and Bulyanhulu Gold Mines, was made voluntarily. Their spending was more in line with the indicators above. There was no room for the community to question the company when it realised that a project was not proceeding as promised or expected. Water services at Geita Gold could be linked explicitly to air pollution and the community members said so during interviews. This could have made this social spending an obligation but the company described it as philanthropy; the community was treated as a passive recipient, like any other example of corporate philanthropy. The company's decision was top down. In some cases, social services were strategic in the sense that they were linked to business and made financial sense. Companies seemed to be more committed to this type of social spending as it added value to their business. Examples of such interventions included VETA scholarships, construction of roads that companies also used and the water projects at Geita mentioned above. The company was concerned up to the point that the water reached the company; took years to complete the section from the company to the community it. As far as social services with philanthropic and strategic characteristics were concerned, communities were unable to question delays, inadequacies to make allegations of corruption, even when they had these concerns.

One might ask whether the chosen approach has had an impact on social spending. The answer is yes. The absence of localised social accountability in two companies permitted them to apply a voluntary CSR approach to social spending, even where the link between their externalities and social services was obvious. This meant these communities ben-

efitted less than in situations where a company followed some established local social accountability and these services were obligatory. This is despite the impact felt by communities in close proximity to the mine. For this reason, communities were either inadequately compensated or not compensated at all. Even when the North Mara community requested further social services, they were in better position than those hosting Geita and Bulyanhulu Gold Mines because they were sure of what, when and how much they would benefit from the company.

Failure to insist on a binding agreement meant that accountability in general and enforceability in particular were absent, even in projects that could be directly identified as a community's right (Garvey and Newell 2005). As with other forms of voluntary CSR, the design and implementation of these services was not debated (Utting and Marques 2010). The services were self-regulated, which cast doubt on the validity of the information regarding their delivery as released in companies' annual CSR reports (The Citizen 2013). Self-regulation has been criticised by a number of scholars (Emel et al. 2012, Kemp et al. 2011). Bebbington and Bury (2009, cited in Kemp et al. 2011:95), for example, observe that, "corporate self-regulation alone is inadequate for achieving justice in the face of resource-related conflict". This is the case when social services have a compensatory element, such as those on which these mines spent.

This chapter has shown that communities must claim their rights with a memorandum of understanding with companies; this is a good start (O'Faircheallaigh 2013). Nevertheless, although this is an improvement on mere promises from companies, this is not a panacea. A number of limitations must be taken into account if this is to be a success as a compensation tool. Some of these limitations of the MoU are discussed below.

There is a tendency to treat the negotiation process as confidential. This denies communities the opportunity to learn from their counterparts who have signed similar agreements (Caine and Krogman 2010). In the same way, this does not help to solve the problem of power imbalances. People with the necessary expertise, such as lawyers or consultants, often represent companies, as they can afford this. This leaves communities in a disadvantaged position (Bielawski 2003 and O'Faircheallaigh 2008, cited in Caine and Krogman 2010: 85) because they are unable to invite third parties such as advocacy NGOs to support them. Moreover, scholars have noted the weaknesses in the ability of commu-

nities to monitor and enforce these agreements owing to power asymmetry in general and information asymmetry in particular (Caine and Krogman 2010).

Scholars have also remarked that some agreements were not enforceable through courts of law because of their vagueness, resulting in difficulties in providing proof of companies' non-compliance or in monitoring their implementation (Gross 2008, cited in O'Faircheallaigh 2012: 14). Explicit time frames and a clear budget for each item in the agreement are proposed as important criteria in overcoming this challenge (O'Faircheallaigh 2012).

A further limitation of these agreements is the issue of legitimacy and representativeness (O'Faircheallaigh 2012). In many cases, the definition of the affected community is not without conflict and ambiguities. When a company defines community of place, it may leave out some locations. Some individuals and groups who have been affected in a unique way may be excluded when the company defines community of impact, even when the community of place definition covers them (O'Faircheallaigh 2012). An example of this is illegal miners (see chapter 6). In many cases this leads to new conflicts within a community or between community and the company when one section of the community does not recognise the legitimacy of the agreement because this group was not been represented in the negotiations (O'Faircheallaigh 2012). Some emergent conflicts may be suppressed by the very nature of "agreements" that connote a continuous harmonious relationship, which in reality is not the case as some issues might arise after these agreements have been signed (Caine and Krogman 2010). As Caine and Krogman (2010) argue, this may result from the manipulative use of power by companies. The chapter that follows will provide an overview of social spending by gold-mining companies before turning to the three cases and to the conclusion.

If one takes into consideration the above limitations, these company-community agreements could solve a number of company-community conflicts. They should never be used to justify pollution, however.

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Notes

[1] This was in a Policy Forum's monthly breakfast debate in Dar es Salaam, Tanzania, that the author attended on 27 February 2015.

[2] NMGM that does not recruit from the host community, as explained in the section on employment.

[3] [3] The exception was the seven liaison officers, one for each village, and the manager of the community relations department.

8   Conclusion: Violence-driven localised social accountability?

The impact of multinational corporations on society in general and on host communities in particular has been a topic of research for years. The contribution of these corporations to the economy in many countries is undisputable but their impact, especially in increasing inequality, has also received attention from many researchers. The approaches that these companies use to tackle criticisms of their impact, that is, corporate social responsibility (CSR), have also been the focus of research. Some scholars and activists have tried to answer questions of whether CSR works, where and how. Recently, it has been suggested that CSR, specifically in its voluntary form, does not work for the poor and the victims of companies' externalities. This thesis builds on these arguments. It sought to explain communities' grievances and claims, the strategy they use to express these claims and the ways in which gold-mining companies respond. The thesis has developed a localised social accountability framework based on state-centric accountability literature. This approach is interactive, unlike CSR and similar approaches that are company centric and where communities are regarded as passive victims of corporations or passive beneficiaries. Localised social accountability is defined in this thesis as the relationship between a company and a host community, where the former is compelled to explain and justify its (in)action to the latter, to answer questions with the possibility of facing consequences (modified from Bovens 2007). The focus of the study was on the mechanisms that supported or hindered localised social accountability relationships. The objective of this thesis was to explore and explain these mechanisms and the extent of local social accountability shown by gold-mining companies in Tanzania on issues of land grievances and environmental pollution. The extent to which violent strategies on the part of the community and social spending by the company could be applied as means of resistance and compensation respectively was explored. The

thesis considered community grievances and company responses in two dimensions. First, it explored and explained the two major community grievances, namely, land grievances and environmental pollution. It then explored and explained the violent strategies communities used to drive home their complaints and how companies responded through social spending. The following were the specific research objectives:

> To develop a localised social accountability framework.
>
> To apply the localised social accountability framework to an exploration of the success or failure of host communities to extract accountability from gold-mining companies on claims of injustice to do with land transfers and environmental pollution.
>
> To apply the localised social accountability framework to explain violent conflicts as a community's tool for demanding accountability from companies.
>
> To apply localised the social accountability framework to explore and explain how a company's social spending is used as its response to communities' claims and hence as compensation for the company's externalities.

Three case companies and communities were selected as illustrations in this study. This choice was based on the longevity of their operations and the likelihood of their providing richer information on the topic that could be used to establish mechanisms that are responsible for the existence or lack of localised social accountability. This was established through previous records as reported in various media and in the respective companies' CSR reports. The cases were Geita Gold Mine, North Mara Gold Mine and Bulyanhulu Gold Mine and their respective host communities. Methods of collecting data included focus group discussions (FGDs), interviews and an extensive review of company documents available publicly including CSR reports, documents from community leaders, state policy, laws and regulations on land, minerals and environmental management, NGOs' reports and so on. The researcher interviewed communities (using mainly individual interviews with village leaders and focus group discussions with other village members), senior company officials, senior NGO officials and senior government officials, mainly from the environmental regulatory authority (NEMC). The pro-

cess included a year's fieldwork for primary data collection in Tanzania. There were two phases: the first phase in 2012 and the second in 2013.

In order to answer the four research questions, I borrowed sets of specific questions from Utrecht accountability studies, which describe and analyse accountability mechanisms, and used as a guide. These questions were posed in order to elicit details on the "what, how and the effect" of accountability relationships (Bovens 2010). These questions began by establishing whether a relationship was accountability or not. Questions were then asked about the operation of the process and lastly about the effects (Bovens 2010:960). The questions covered land grievances, environmental pollution, conflicts, violence and corporate social spending in the three cases under the study.

The main empirical findings are chapter specific and were summarized in the empirical chapters. Chapter 4 focused on the "Struggle for localised land accountability", chapter 5 on "Localised environmental pollution accountability of gold-mining companies", chapter 6 on "Violent conflict: community strategy for extracting localised social accountability from companies" and chapter 7 on "Corporate Social Spending: company strategy for compensating externalities". The sections that follow will synthesize the findings to answer the four research questions. This chapter then moves on to the theoretical and practical implications of the findings before discussing the limitations of the study.

8.1   State land ownership and flexible compensation law

The first research question was "how and to what extent were communities around gold mining in Tanzania (un)successful in extracting localised social accountability on the matter of land grievances from gold-mining companies?" The study found that the community had complaints about unfair compensation for their land. Using different strategies, they tried to call companies to account. Unfortunately, they found it either difficult or impossible to extract a response to their claims from the company. Companies were slow to provide information to communities when they had concerns and, in some cases, they did not respond at all. This was largely the result of the country's laws and policies regarding land.

The state is the owner of all land in Tanzania. Communities are merely land occupiers and foreign companies cannot lease land from anyone

but the state. In the cases discussed in this thesis, this meant that the state could take community land transact with these companies. Tanzanian law states that land occupiers must be compensated fairly if the state decides to appropriate their land; in these cases, this did not happen.. Communities could not refuse to part with their land as this was state property, but it was the delays, the inadequate compensation and the failure to pay compensation on the part of the company that provoked these complaints.

These host communities chose to demand accountability on these grievances from the company, not the state that had actually taken their land, as they believed they had a better chance of success approaching the company concerned directly. This proved difficult, however, as accountability requires clear lines of responsibility. With the state the owner of land, and these companies simply operating on it, the communities faced "the problem of many hands" (Bovens 2007). Added to this, accountability failed because many of the claims and complaints could be laid at the state's door, as they were largely the result of misconduct by public officials.

Moreover, the scheme required that the payment of compensation in cash and this proved to be another cause of grievances. The law provided for flexibility in compensation payments, that is, in kind or in cash, and this raised complaints about the inadequacy of payments or the absence of payments altogether, caused mainly by dishonest officials stealing the money. Cash transactions also contributed to the issue of speculation, which posed a problem for the companies. Some communities invited speculators to develop their land in order to claim more in terms of compensation. This had the effect of making companies even more reluctant to compensate these communities. Some companies decided to change their gold extraction technology from open pit to underground mining to avoid having to pay compensation.

8.2   Industry structure

Junior companies, as the first owners of the mines, complicated localised social accountability in the matter of land grievances. In most cases and those in this study, these companies conducted the initial exploration and then sold their mining claims to larger companies. These junior companies provoked many of the land grievances, as these tended to

arise during the inception of a mine. Their short period as owners of the operations meant that they were able to escape having to answer these communities' complaints. This reduced the chance that the larger companies would be accountable, another example of "the problem of many hands" (Bovens 2007).

8.3   Communities' incapacity to produce scientific evidence

The second research question asked how and to what extent communities around gold mines in Tanzania were (un)successful in extracting localised social accountability on environmental pollution from gold-mining companies. The investigation of conflicts centred on environmental pollution reveals more evidence of where and when localized social accountability works or does not work, and why. It has been revealed in the thesis that companies responded to allegations of environmental malpractice only after facing threats or actual pressure from stakeholders external to the community. These stakeholders included ethical institutional investors, politicians, and local and international NGOs. Communities knew that they were incapable of producing scientific evidence of pollution, which companies frequently demanded before they would pay compensation. They could not debate issues of pollution on their own with companies because these companies had superior scientific knowledge. As a result, some communities sought assistance from NGOs, although others simply lived with their discontentment. Companies faced with external stakeholders knew that if not satisfied, these stakeholders could have an impact on their financial performance, as had been the case previously or elsewhere. This perceived or actual threat forced companies to respond. Their response was not submissive to the claims and demands, however; rather, it was defensive and not mutually agreed upon.

8.4   State's ineffective environmental regulation and monitoring

The conflict over environmental pollution reveals that even with links to a powerful stakeholder, attempts to extract accountability for environmental pollution from the company were unsuccessful. This underlines the role of the state. With its discretionary power, its involvement

would have solved the long undecided debates. Findings showed, however, that the state in Tanzania did not perform its duty effectively as environmental regulator and monitor. This was partly the result of a lack of capacity and alleged corruption.

8.5 Communities' incapacity to use violence effectively

The third research question focused on how and to what extent communities around gold mines in Tanzania were able to use violence to demand a company response to their claims on the impact of unfair land transfers and environmental pollution. The thesis explored violence as a strategy used by communities to pressure companies to respond to their claims and demands. Communities turned to violence when they realized that other civic means for resolving land issues, environmental pollution and other grievances did not work or were beyond their reach. Demonstrations and protests, road blockades, sabotage and illegal mining were some of the forms of violence that communities used to force the company to respond to their complaints, claims and demands. Illegal mining and ongoing mass demonstrations were most successful in raising the awareness of external stakeholders. These acts were associated with casualties including deaths among illegal miners and thus became indisputably an issue of human rights. Illegal mining was common in cases where the companies used open pit technology. This technology exposes waste rock that attracted unemployed youth who regarded this as a way of compensating themselves for the loss of small-scale mining jobs. This led to violent confrontations with company security guards and police. Where the deaths of illegal miners were publicised, companies felt a threat to their reputation. Once again, communities that had links to external actors were able to ensure that these deaths were reported in local and international media by NGOs who also in some cases filed for litigation.

One company began to acknowledge that illegal mining carried a powerful message that included poverty and perceived social injustice. Thus, aggressive illegal miners became instrumental to a community's efforts to extract localised social accountability from a company. The response of the company was to take social service provision as an obligation. They entered in a written memorandum of understanding (MoU), undertaking to provide the community with a number of socio-economic

services in compensation for the externalities and to comprehensively implement Ruggie's Principles. The fact that such a response was seen in only one of the three cases and came only after a number of threats or actual consequences suggests that the company's acceptance of community claims as credible was pragmatic (Black 2008). Violence was instrumental but community's ability to bargain and negotiate the collective interests of the community culminated in agreements on the binding nature of social services provision (Wils and Helmsing 2001).

8.6   Communities' incapacity to organize and mobilize

The communities and actors behind the complaints had a part to play in the success or failure of localised social accountability in the matter of land grievances. Community activism appeared to be a prerequisite for other actors to show an interest in the conflict. Communities who could manage their affairs (Wils and Helmsing 2001) were more active in resisting the perceived injustices of these projects. This compelled companies to act, not only because these communities posed a threat of consequences through violent means (Bovens 2007), but also because they were able to bargain and negotiate their collective interests when they were invited by companies to sit round the table (Wils and Helmsing 2001). North Mara showed a greater capacity for action than Bulyanhulu and Geita. This is possible a for this subsidiary company's decision to enter into written agreements (MoU) on village benefits as compensation for its externalities. Despite this being a late decision, this was a sign that the company would be more accountable in the future.

8.7   Less violent communities received voluntary social spending

Question four asked how and to what extent gold-mining companies used social spending as a response to communities' claims and hence as compensation for their externalities. What was the role of the communities in this? The thesis explored companies' responses to community violence and other pressures, focusing particularly on its social spending. Communities regarded social spending as a form of compensation for companies' externalities. Most companies, however, tried to avoid admitting explicitly to the link between social spending and their externalities. To admit this meant that they would have to commit to providing social

services as a right of the communities concerned, and their obligation. As companies succeeded in avoiding this commitment, they were able to continue using the voluntary CSR approach to the delivery of social services. Therefore, their social services lacked an element of community engagement; they were top down in nature, company centred, strategic, piecemeal and non-enforceable, with no answerability, typical features of voluntary CSR.

Some companies followed localised social accountability in their social spending, allowing for some answerability to communities and some mechanisms for enforcement. North Mara Gold Mine was the only company whose social spending was largely characterised by the traits of localised social accountability. This company was also more inclined to compensate communities. It signed a memorandum of understanding (MoU) with the community, known as the Village Impacts Benefits Agreement (VBIA). The community was successful in participating in the signing of this MoU with the company. The agreement set down what the company would provide in terms of social services in order for company and community to co-exist. This provided a time framework and a known budget. In addition, the agreement put it that in cases of unresolved disputes in relation to the promised socio-economic services, the community had the right to go to a court of law. This was a current achievement (started year 2011) after years of receiving voluntary social spending as in the case of the other two communities. For the rest, there were no such arrangements that would allow the community to question the company when they saw that a social service project was not proceeding as promised or expected, and enforcement mechanisms were also absent. These projects were implemented without any formal agreements. This was even the case in projects that could be directly linked to company externalities (thus, it was indisputable that they required some sense of obligation). The communities concerned received no details about these projects (whether they were one-off projects or ongoing. Most spending of large amounts by companies was strategic; if not, the expenditure was minimal and, in some cases, there was no community budget at all.

Despite some limitations, the company that applied written agreement to community benefits spent more on communities than those that did not have such agreements. This approach, which is closer to localised social accountability, is more beneficial to host communities than others

as the company spent irrespective of whether the spending had direct or obvious links with company profitability. Failure to make binding and traceable agreements, as was the case with Geita and Bulyanhulu Gold Mines, made accountability in general and accountability and enforceability in particular difficult (Garvey and Newell 2005).

8.8   The role of NGOs

This thesis has paid special attention to the role of NGOs in localised social accountability relationships. They were of two types of NGO that featured in this study: those working as activists and those who were partners. The activist NGOs were instrumental in pressuring companies to be responsive. The company that started practising a form of an accountability relationship, North Mara, was under the close watch of several local and international NGOs. These NGOs even filed cases abroad against this company. However, this community was also active, which might have made the work of these NGOs easier. These NGOs went on to intervene in several confrontations between companies and communities but were not involved in social spending, unlike their counterparts, social service delivery NGOs who mostly operated as partners to companies.

Partner NGOs did not involve themselves with critical issues such as the human rights conduct of these companies. Their only reference to human rights concerns was the due diligence they conducted during the decision-making stage, to decide whether to collaborate with these companies. Neither of the partner NGOs that were interviewed had a regular process of checking the adherence of the companies in question to human rights standards. They focused on delivering social services to communities, funded by these companies. Some of these partnerships started during the mines' inception and ended after several years but others were still ongoing at the time of the study.

Table 8.1
Grievance Response LSA

Grievance	Resistance Strategy	Response	LSA/LSA Deficit
Land grievances and environmental pollution	Violence	Company social spending	
	Persistent mass demonstrations Aggressive illegal mining Links and support from NGOs and politicians, sabotage	Obligatory social spending VBAs Operational level grievance mechanisms Larger social services budget	Localised social accountability
	Rare and small demonstrations, illicit (covert) illegal mining, *no links with NGOs, no political support*	Voluntary social spending Ad hoc social service provision Smaller social services budget	Localised social accountability deficit

N.B.: LSA stands for localised social accountability

From the above discussions, it is clear that where victims are denied their rights, an approach that involves the victims is the best option if we want to avoid the unintended consequences of exclusion and disempowerment. The three companies in question are champions of CSR in terms

of international standards, but on the ground, the communities continued to express complaints. This is not to claim that this local interactive approach is a panacea for a community's problems, but it is not overstatement to say that it helps to know where these communities fail in order to forge accountability. Other intervention efforts can start from this point to make things work. By studying the role of various actors in localised social accountability relationships and what causes the success or failure of establishing an accountability relationship at this level, the thesis has shown that social regulation alone cannot solve the complexity of developmental challenges facing host communities. Rather, a proper mix of state and self-regulations that takes into account local perspectives, is required, and this is the essence of localised social accountability.

8.9   Theoretical and conceptual implications

The thesis introduced a new way of looking at the interaction between gold-mining companies and communities as quadripartite, with land grievances and environmental pollution on the one hand and violence and social spending on the other. This could be used in similar contexts to investigate the link between community grievances and the strategies they use to express their claims and whether, how and why companies respond to these strategies.

The thesis adds to literature on community-based strategies (Garvey and Newell 2005), specifically with regard to the use of violent strategies (Trebeck 2008) for resistance to perceived injustices. It supports Trebeck's argument that companies are more responsive to the most "difficult" communities who put companies' reputations at risk. This is similar to Campbell's argument that volatile security around gold-mining operations is a result of unfulfilled socio-economic development promises (Campbell 2008), made implicitly or explicitly.

The localized social accountability framework departs from referring to communities as passive victims by allowing a study of their everyday resistance as a form of interaction with these companies (Kemp et al. 2011). This corroborates the literature that argues for an interactive approach to the study of company community conflicts (Kemp et al. 2011). It is intended to add to the knowledge of what recourse communities have when seeking solutions to their grievances

Furthermore, localised social accountability is extended by adding a number of actors and other elements to the original accountability framework by Bovens (2007). This framework has combined stakeholder salience theory (Mitchell et al. 1997) and the accountability concept (Bovens 2007, Bovens 2010, Black 2008) in a complementary way. While stakeholder theory helps to identify and explain the responsiveness of companies to some communities but not others, in the presence of a web of stakeholders, where the company is viewed as the one in charge, accountability has made the interaction between companies and victims the focus in this web of company relations. The framework helps to describe how salience features operate, with some stakeholders directly or indirectly helping or hindering the enhancement of community stakeholder salience.

8.10 Practical Implications

This study has highlighted the rethinking of existing corporate regulations. Among these are self-regulation, state regulation and multi-stakeholder regulation. These existing proposals (state self-regulation, and multi-stakeholder regulation) could not solve the company social irresponsibility problem due to some weaknesses. None of these, for example, lends much weight to community agency and these approaches have limitations, as discussed below.

In the light of frequent corporate scandals, it would be naïve to expect effective self-regulation. State regulation has also shown some weaknesses. Multi-stakeholder regulation is still regarded as a more effective approach but it cannot escape the effect of stakeholder salience theory. Stakeholders are not of equal power; communities are in many cases left out. In addition, the stakeholder approach is company centric. Companies for example have initiated multi-stakeholder groups. Some of these companies are accused of choosing to invite less critical stakeholders, leaving out the critical ones but also excluding victim communities. Communities are excluded despite the fact that the decisions made by a multi-stakeholder initiative affect their lives and livelihoods (Boele et al. 2001).

This is in line with accountability trends: corporations would contribute to inclusive development if civic actors made them accountable for their actions, and that "inclusive and equitable development depends on

the capacity of the disempowered and disadvantaged to exert claims on the powerful" (Utting 2007: 704). In this case, communities have an important role to play in making CSR binding as external actors seldom intervene directly in local development, for instance (social spending). That does not mean that other actors are less important. The community could call companies to account in the presence of an effective state regulation. The absence of such regulations may have contributed to the failure of most of these communities to exert pressure on companies for accountability.

These findings challenge CSR reports that are at the heart of corporate self-regulation. The reports in this study did not conform to localised social accountability as they were aimed at whoever was interested, and not to a particular "significant other" (Bovens 2010:951). Communities had no access to them because they were published online and were written in foreign languages. Many community members were unaware of their existence. In the case of VBIAs, on the other hand, the communities knew more details than the public (O'Faircheallaigh 2010). This had an impact, as accounts given to the public often lack follow up. Those established through company-community agreements guarantee continuity and close monitoring by the community.

The fact that only one company and community engaged in a localised social accountability relationship in social spending reveals that this approach is not the preferred choice for companies when compared to voluntary CSR. The reason for this is possibly that this approach reduces companies' autonomy by forcing them to spend more as an obligation within a time limit. Community social and environmental grievances depend on a response from a company motivated by voluntary standards (Campbell 2011). In the absence of some pressure, especially violent pressure (Trebeck 2008), responses were mostly minimal and probably only for PR purposes, to show that the companies were implementing community CSR initiatives.

Moreover, the findings shed light on the fact that communities could not meaningfully articulate their collective interests and demonstrate because they lacked community management skills (Wils and Helmsing 2001). More organized communities received the attention of the media and other external stakeholders.

This study calls into question the effectiveness of self-regulation. Companies appeared to have little inclination to expose their own mis-

conduct in the absence of state regulation (Sarker 2013). The state should monitor companies that do not comply, while those that are trustworthy should be allowed to self-report, but with the possibility of scrutiny should it be reported that they are misusing this autonomy. This is especially important in issues of environmental pollution, as the cases in this study have revealed. The state has the opportunity to make localised social accountability possible through the supposedly uncontested legitimacy it has as a neutral regulator, but also through its formal authority. However, the Tanzanian state regulatory authority, specifically environmental regulators, had little capacity to regulate in terms of finance and human resources. The state was accused of corruption. In such cases, the governments of the home countries of the mines concerned should intervene to fulfil this role. With effective regulations acting as a threat of consequences for malpractice, companies would be more likely find it necessary to negotiate their co-existence with communities.

These results imply that it is not necessarily the case that where there are less violent conflicts there is a functioning company-community relations department. It may mean that the community cannot meaningfully articulate its collective interests and demonstrate because they lack community management skills (Wils and Helmsing 2001). This prevents links with external actors who could amplify their concerns, the NGOs.

This study also touched on the relationship between a corporate parent and a company (the subsidiary company) (Campbell et al. 1995). It discussed the influential power of the corporate parent, regarded as another stakeholder to whom a company must respond. By focusing on the local levels while exploring factors external to this local relationship, the corporate parent's role is clear in the CSR policies it makes and prescribes to its companies (Dashwood 2012). Through these policies, the corporate parent promotes an upward accountability in its companies, the focus of which is predominantly the promotion of corporate financial performance (Kemp et al. 2012). The localised social accountability approach adds to the debate on the "'universal' versus the 'particular'" in community CSR (Muller 2006, cited in Kemp et al. 2012: 2). There are debates on the reference point for company accountability; should it be the "global perspective" (Spence 2009, cited in Kemp et al. 2012: 1) or should it be "local context, relationships and lived experience" (Macintyre et al. 2008, cited in Kemp et al. 2012: 1). Localised social account-

ability supports the latter stance. This also includes the empowerment of companies to become fully-fledged local actors (Kemp et al. 2012) with more authority to act and account for actions that may affect the community.

8.11   Limitations

Despite the usefulness of localised social accountability, there are limitations that we must take into consideration if it is to work. Among these is the issue of power asymmetry. Even where a company institutionalizes accountability relationships with communities, the power imbalances is more likely to work against the community. This could be the case even where some links are forged with external actors.

There is another concern that is similar to the first one: that of the elite capture. When heterogeneous groups enter into dialogue and negotiations through representatives, there is the possibility that not all group concerns will be treated equally as agendas to be tabled for negotiation. Here there is likelihood of "elite capture" that limits what these initiatives can accomplish. Communities are not homogeneous and thus the issue of representation arises. Who is representing them in their debate with companies is an aspect that must be carefully examined. There is the likelihood that some issues might not make it onto the agenda because they affect the disadvantaged groups in the community. In the North Mara case, for example, no mention was made of the problem of illegal miners in the VBIAs, although they were instrumental to the change from voluntary to obligatory CSR. It is probable that the community representatives were not miners.

The very nature of violent strategies raises concerns. It causes death and injuries. It is antisocial and a difficult strategy to use. This was clear in the way several communities were unable to use violence, fearing for their lives. This goes back to the title of this chapter, expressed in question form. Some answers as to why the community opted to use violence were provided in this work, and the findings have suggested what should be done to avoid violence.

A further limitation is compensation. Firstly, without mechanisms to monitor this constantly, companies can use social spending to justify continuing malpractices: "we would build schools to pay for pollution". Deliberate efforts are needed to prevent social spending from being used

as a justification for the continuation of the externalization of costs to communities. There is also the question of equivalence (Li 2011). Who calculates the impact and benefits and with what formula? What size budget would be equal to extensive pollution? If local social accountability is to be effective, these issues must be addressed.

Appendices

Appendix 1
List of respondents

SN	Name	No. re-spondents
I	Mining companies	
1	BGML	1
2	NMGM	1
3	GGM	3
4	ABG (parent)	1
5	AGA (parent)	1
II	Communities – Villages FGD	
	Kijijinambatisa (BGML) 1 Group	7
	Kakola (BGML) 2 groups	17
	Bugarama (BGML) 2 groups plus 1 village leader	14
	Nyamwaga (NMGM) 2 groups plus 2 village leaders	20
	Kewanja (NMGM) 2 village leaders	2
	Nyangoto (NMGM) 2 groups	14
	Ihayabuyaga (GGM) 2 groups plus 1 village	15
	Katoma (GGM) 2 groups plus 1 village	16
	Nungwe (GGM) 1 group plus 1 village leader	7
	Sofiatown (GGM)	6
III	NGOs	
	LEAT	3

		LHRC	1
		AMREF	1
		CARE Tanzania	1
IV		State - Regulatory Authority	
		NEMC	3
		Tanzania Commission for Human Rights and Good Governance	1
VI		Total	135

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