Corporate Social Responsibility in Extractive Industries and Poverty - Myth or Reality for Developing Countries?

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Abstract: This article discusses a variety of responsibilities assigned to companies by the investors, community, law enforcements and the stakeholders. It analyses views from other scholars who argue that there is a mutual relationship between companies and society in general. The article also elaborates on why companies engage in social investments. It concludes the ‘business case’ scenario for investors, and those companies, especially Multinational Corporations, are in business for profit. It is not their responsibility to tackle poverty issues.

Keywords: Corporate Social responsibility, poverty, mining companies

1. Introduction

Corporate Social Responsibility (CSR) is a concept that means different things to different scholars. In a nutshell, it recognizes that companies have a variety of responsibilities assigned to them by investors, community, law and other stakeholders. Even though the main aim of companies is to maximize the returns to investors, it has been recognized that their actions do affect people and institutions well beyond their transactions. They are therefore expected to share their returns with society.

Yakovleva (2007) categorizes the responsibilities of companies into four areas as follows:

a) Economic responsibility demands Companies should produce goods and services required by society.

b) Legal responsibility requires that a company should abide to legal requirements in conducting its business.

c) A company should practice moral and ethical norms and values.

d) There should be a social (philanthropic) responsibility for a company to be proactive in practices that benefit society.

Other writers on the CSR have looked at the issue from the point of society and management. Tulder, et al (2007) contend that both companies and society have a mutual relationship, even though it does not address issues of governance, negative macro-level effects that multinationals cause in host countries (Frynas 2003). They rely on each other to realize their ambitions. It is therefore imperative that each party with a stake in the relationship plays its part. Zinkin (2004) on the other hand, argues that CSR is a journey rather than a destination. Companies have to go on adjusting their strategies according to the local situation. In the mid 1990, the Asian financial crisis was partly as a result of the MNC. The MNC were exploitative and became potential enemies of the countries in which they operate from. Everyone viewed them with suspicion.

Poverty has had many dimensions. According to Nolan and Whelan (2009) poverty is better understood by using non-monetary indicators. They contend that having indicators of deprivation (non-monetary) adds the ability to capture poverty and social exclusion. The current study used this definition of poverty. Others have even tried to link trade, poverty and economic growth. Measuring the direct contribution to poverty alleviation has proved difficult and politically sensitive because poverty is multi-faceted and too complex. The 1995 World Summit on Social Development defined poverty as follows:

“Poverty has various manifestations, including lack of income and productive resources sufficient to ensure sustainable livelihood; hunger and malnutrition; ill health; Limited or lack of access to education and other basic services; increased morbidity and mortality from illnesses; homelessness and inadequate housing; unsafe environment and social discrimination and exclusion. It is also characterized by a lack of participation in decision-making and in civil, social and cultural life (cf. Mattes, 2008)

The simplest and most widely used poverty measure is what is known as the headcount ratio. This looks at the percentage of the population which is poor. The other measure is what is known as the poverty gap, which identifies the aggregate by which the poor people fall below the poverty line. This approach measures poverty in poverty line units and is normally averaged for the population (Salkire and Foster, 2008). In the discussions of poverty, there has been a problem in measurement. The World Bank in particular, define poverty as the people’s inability to have the minimum standards of living (Thirlwall, 2006; Makoka and Kaplan, 2005). But how do we measure the minimum standard of living and how can this be used to compare people across countries? The UN attempts to go around this problem by constructing the Human Poverty Index (HPI) and the HDI. The discussions have hinged on the identification of ‘the poor’. There are various approaches to the measurement of poverty (Salkire and Foster, 2008). They identified two approaches to poverty. One approach is normally referred to as “the union approach” which regards someone who is deprived in a single dimension. This approach is seen as too inclusive and does to some extent exaggerate the estimates of poverty.

The other approach as stated by Salkire and Foster (2008) is the “intersection” method. This approach requires one to be...
deprived in all dimensions before being identified as poor. This method seems to exclude a large segment of what others might still refer to as being poor. Both approaches have limitations, leaving room for the development and identification of other alternative approaches. The writers go further to propose another approach to the measurement of poverty. Alkire and Foster (2008) came up with a different measure of poverty. Their approach consisted of firstly an identification method that combines the traditional intersection and union approaches and secondly a class of poverty measure that included a range of desirable properties peculiar to the poor. They developed a measure which was based on two cutoff steps where the first determines whether a person is deprived in that dimension and the second cutoff dimension identifies the poor by counting the number of dimensions in which a person is deprived. In later literature, Alike et al. (2015) used a one-dimensional poverty measurement using the lens of the multidimensional framework.

It has been widely recognized and acknowledged that poverty reduction is not a one-man task. It involves all the players, especially those in charge of factors of production. Governments, NGO and indeed the other mining stakeholders have to get involved in the interventions. Notwithstanding the criticism, multinational corporations are also trying to play their part in poverty reduction. Kolk and Van Tulder (2005) acknowledge that even though the opportunities for poverty alleviation strategies by multinational corporations are receiving attention, the actual components of such action have not been addressed. The authors note that even the company policies for such interventions have never been evaluated.

Literature has in a way established a relationship between FDI (FDI), employment and income inequality (Tulder 2007). He argues that poverty alleviation is the most important precondition for economic growth

2. Methodology

According to the World Bank (2009), the extractive industries value chain can be integrated into resource-rich countries’ development plans and poverty reduction strategies. This provides an opportunity for the Government to fight the resource curse, raise standards of living and help achieve political and social stability. Mining value-added chains are not common. Literature would assist to indicate whether or not most mining value added chains have been concentrated on high value minerals like gold, diamond and copper. Gerrefi et al. (2005) define value-added chains as – the process by which technology is combined with material and labor inputs and then processed inputs are assembled, marketed and distributed.

This study sought to understand and describe through and extensive review the literature on the resource curse and its implications. It reviews the various literature on the subject and aligns to the extractive industries. The basis assumption is that countries with massive resources will have limited growth from the resources they have. The approach attempts to consider multiple viewpoints, perspectives, and positions on the resource curse theory and its implications. Knowledge claims are made perceptions and experiences on the subject. reviews the CSR strategies and the responsibilities companies and investors place on themselves. It discusses the ‘business case’ by taking into account the facet of poverty alleviation. The literature shows how companies determine what it is that they view as essential strategies for poverty alleviation.

Limited literature is available on how the mineral wealth can be used to alleviate poverty. Available literature has in fact revealed that extractive countries could be victims of the resource curse theory. The issue is important because poverty levels are on the increase worldwide (World Bank Group, 2015) despite the mineral wealth available. The study analyses, through the review of the reviews of books, journals, articles and news items the amenities and services provided by extractive companies their attempts through Corporate Social strategies (CSR) to alleviate poverty.

Justification for Involvement in CSR

Frynas (2003) tries to explain why firms engage in social investment:

a) Obtain competitive advantage: Governments have favoured those with CS towards society. Chevron Texaco in Angola used its CS strategy to renew its contract in oil

b) Maintaining a stable working environment: Niger Delta community protests halted oil production. So firms initiated development projects to buy local community. In line with stakeholder theory: firms will listen to those stakeholders who pose the greatest threat to their operations, not those best placed to contribute towards development aims. Firms built community halls to benefit only chiefs.

c) Managing external perceptions: CSR has been used for public relations purposes

d) Keeping employees happy: Companies want to demonstrate to employees that it is for development. Initiatives often driven by employees or managers and not the local community.

The ‘business case’ for CSR seems to be more compelling than developmental objectives. Frynas documents a case in Nigeria, where Shell initiated a much better micro-credit scheme which has been successful. Frynas believes that if rural people are helped to help themselves, there will be genuine development. Oil executives rarely went beyond local chiefs who demanded the obvious like schools, hospitals, etc without proper consideration of the economic costs. The Oil companies also lack human resources to plan and execute projects as CSR initiatives were not part of a larger development plan.

Bhagwati (2007) identified three complimentary approaches to CSR:-

a) Social norming: MNC sign Global Compact and agree to uphold certain broad values such as human rights, child labor.

b) Voluntary codes: Companies have to abide to certain codes. But these are made by developing countries.

c) Mandatory codes: there is need for national mandatory codes which could extend operations abroad by MNC the

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rules and regulations that define at home what the corporations cannot do. Van Tulder, et al (2014) questions whether or not CSR reports and public statements in support of the strategy are really genuine. The writers argue that the statements are made as a form of ‘window dressing’ to deceive the public. They try to provide a framework through which analysts can be able to distinguish between intention and realization and the circumstances under which companies can use CSR window dressing.

In trying to explain the interplays between the stages in the development of a company, Van Tulder, et al (2007) developed four approaches to CSR:

a) Inactive: This only focuses on the company’s ability to make profit. It is an inward looking strategy that aims at efficiency and competitiveness in the environment. The emphasis is more on ‘doing things right’ and on the provision of goods and services. This strategy promotes what is known as ‘corporate self-responsibility which aims at profit and sales maximization and a high return on investments.

b) Reactive: The second CSR strategy is where a company is more reactive to its operating environment. The company will strive ‘not to do things wrong’ and will be closely monitored by stakeholders to ensure that it operates efficiently but with the prescribed limits. They are expected to conform to an expected behavior. In this strategy, the company will be practicing corporate social responsibility.

c) Active: This is referred to by Van Tulder, et al (2007) as the most ethical. It is driven by values and is executed without pressure from the stakeholders. Under this approach, where the company focuses on corporate social responsibility, ‘doing the right thing’ is much more important as this belief is based on integrity and long term profitability of the company. This approach is prone to business inefficiency.

d) Pro/interactive: Under this approach, a company emphasizes medium term profitability and long term sustainability. A company practices corporate societal responsibility and attaining efficiency by ‘doing the right things right’.

The model, according to Van Tulder (2007), can be used to assess the extent to which companies are able to address the issue of poverty alleviation.

Van Tulder (2007) concluded that the issue of poverty has received recognition and that poverty is a global problem that requires general guidelines to be developed. The Millennium Development Goals have also continually triggered attention of the world to poverty. In some cases, social responsibility has become a cost to the firm and their activities have become a matter of public debate. Pressure on firms have continued to be exerted by activist groups, so that they can address issues like protection of consumers, improved working conditions, environment and wages. (Den Hond, et al 2007). They work at two levels in stimulating ‘field – level change’. One is to work at field level – that is demand effective state regulations and the other is at organizational level to change the individual firms.

Den Hond argues that people participate in activist groups for three reasons

a) Instrumentality
b) Identity
c) Ideology

As such radical groups can never be part of the solution. Their actions may not always be violent. They may even buy shares in companies so they can be heard at Board meetings.

Van Tulder defines institutions as “multi faceted, durable social structures, made up of symbolic elements, social activities and material resources. (Scott 2001). Radical groups contest the voluntary nature of the Global Compact believing it offers insufficient incentives for firms to change their practices since it might shield participating firms from further government regulations.

Van Tulder and der Zwart (2007) argue that the adoption of appropriate institutions of good governance is the pre condition for macro-economic success. The authors seem to emphasize that the society is divided into three spheres. The functioning of these societal spheres determine the manner in which a society functions as a whole. Through legislation, governments (state) provide the legal framework that structures society while the market sector creates the value through the provision of goods and services. The civil society represents the sum of social relations among citizens. The market regulates through competition, profit and rewards, the state through legislation and civil society through participation and collective action.

The authors contend that a large number of hybrid organizations are at the state-market interface function within the production value chain. Hence state-owned enterprises and the so –called public-private partnership operate in this area.

Van Tulder, et al (2014) recognizes the importance of the involvement of employees in sustainable policy. They argue that the involvement of employees in sustainability leads to a greater identification with the organization. This has to be brought to the attention of the employees so that they can identify themselves with the organizational policy. This, according to the writers, promotes optimal loyalty. Observed discrepancies between actual and claimed sustainability will contribute to widening differences between them and the companies.

Role of Multinational corporations in extractive industries

Literature has it that Multinational corporations are in business for profit. Codes of conduct are seen to be used to address poverty (Tulder 2007). Most organisations developed codes which referred to relative poverty and the working poor. Some dealt directly with poverty alleviation (Kolk et al 2006) There were some which dealt with labor conditions. The authors make a very strong statement that codes of conduct for corporations are normally weak and are not objectively monitored for compliance. Companies prefer internal monitoring of compliance and leave out issues like poverty alleviation which are too complex to analyse.

There are scholars who disagree on the use of the mineral rent for development. Employment creation appeals to the
elite in towns and not the general community. The World Bank could not agree whether or not extractive industries can improve the lives of the poor (Beattie, 2004). It is often the case that indigenous people are unable to make decisions pertaining to how they associate with extractive industries and hence cannot influence the industrial policies on employment, investment or profit sharing. They rely on whatever the employers decide to invest in. When conflicts arise, it has been documented that MNC have an economic advantage over the indigenous people. They have more political influence, power and legal support (Salim, 2003). In most cases it has been noted that extractive industries get around this problem by developing codes of conduct to reinforce CSR - meant to improve their images.

Other views on extractive industries have notes that multinational corporations should take into account the economic status of the economies they are investing in. The World Investment report points out that when engaging in resource extraction, the role of the multinational corporation should be first and foremost, to contribute to efficient production while as a minimum, respect the laws of the host country (World Investment Report, 2007). Downing et al. (2002) questions what obligations owners/investors have to the indigenous people living on or near the land to be exploited or mined. They also pose serious questions on the rights of the indigenous people when the mining companies start mining. Incidentally, people feel that their land right are more important than the dormant societies (Rogers, 2000. These and many other questions regarding the mining companies’ approach towards poverty reduction are the part of the focus of this article.

Bhagwati (2007) argues that for countries to attract MNC there has to be political stability and natural resources by doing the following:

a) Tax competition: Poor countries compete among themselves to give tax concessions to MNC and end up losers. MNC have through the Multinational Agreements on Investments opposed the imposition of any restrictions on tax breaks and subsidies.

b) Large companies and small countries: Small countries can negotiate by playing one large company against another. Poland did this between Airbus and Boeing. India on the other hand failed with Enron.

c) Exploitation of workers: There is a contention that MNC not only pay low wages but also violate local laws on safety and other working conditions. Sometimes they do not conform to customary international law as typified by norms established in international conferences or ILO conventions.

AnsKolk, et al. (2006) makes a very strong statement that codes of conduct for corporations are normally weak and are not objectively monitored for compliance. Companies prefer internal monitoring of compliance and leave out issues like poverty alleviation which are too complex to analyse. The writers allude to the fact that the effectiveness of the public-private partnerships are difficult to assess. In their study, advantages of partnership include utilization of complementary expertise, opportunity to involve actors to work together, shared resources and knowledge. They argue that NGOs will have access to direct support, indirect access to technical and managerial support, wider networks and career development. Companies will benefit by having access to NGO specialized know-how and networks, learn more about stakeholders and their management, improve their credibility, legitimacy and reputation.

Fagre and Bell (1982) argue that the bargaining power of a country is likely to be weak when it is faced with a high technology firm. This then means that the more an industry is characterized by innovation, the more difficult it is for a developing country to enter the industry without the help of an established firm from an advanced country. Alternatively, the older the technology, the more a developing country is able to utilize the technology without the need of foreign investors. It has been established though that firms that go for product differentiation have a high degree of control over their foreign subsidiaries.

Zinkin (2004) argues that CSR is a journey rather than a destination. In the mid 1990, the Asian financial crisis was partly as a result of the MNC. The MNC were exploitative and became potential enemies of the countries in which they operated from. Everyone viewed them with suspicion.

Zinkin points out that for the MNC to rebuild their trust, they must do one of the following:

a) They should be explicit about their long-term commitments, especially in countries with long-time horizons like China and Japan.

b) They need to be transparent both in terms of governance and how business is done.

c) Host-country governments, NGOs, civil society, etc need to be reassured that the presence of the MNC will raise the general living standard of the people.

d) Apply the same standards universally in terms of performance measurement, transparency and corruption, environment, health and safety, promotion on the basis of merit and diversity.

In this way, the MNC can reposition itself as a ‘friend of the country’. MNC have problems defining what appropriate behaviour is because of the following:

a) In trying to know what their primary responsibilities are, they must recognize that it depends on which stakeholders are prioritised. (Drucker 1955).

b) Their license to operate is determined by self-interest – for when society develops, so do businesses. But there’s a limit to how much cost they can take. At some stage, they will pass over the cost to society since they are profit maximisers.

Multinational Oil and Mining Companies

Multinational oil and mining companies have benefited from the infrastructure given to them in the countries that they operate in. With the promise of investments, technology transfer, employment, economic linkages in the economy and the access to international markets, multinational companies have acquired immeasurable bargaining power. In least developed and developing countries where the mineral sector is regarded as the escape route from poverty, governments have been able to bend backwards to accommodate the multinational and mining companies. Governments have, as a result, gone into contractual
agreements that have not given rise to the envisaged benefits to the local community. In the case of Zambia, the government was so desperate for investment in the mining industry that mines were hurriedly privatized and agreements entered into that were not in the interest of the country. A few years after the agreements, the government realized the errors made and were able to re-negotiate the mining contracts (Cf. Mine watch Zambia report, 2006). Through the watchful eye of international civil society, global movements and vocal NGO, oil and mining companies have been pushed to developing codes of conduct, pursed best practices and have gone into partnerships with local interest groups based on shared objectives

**Stakeholders’ presuppositions**

Indigenous people, multinational corporations, governments, development agencies, enter encounters with presuppositions about each other’s motives, culture and rights. These are the pre-suppositions: Indigenous people in the way of mining should sacrifice in the natural interest.

a) Financial risks for the poor are lower than those for the financiers and developers.

b) Cultural differences between the indigenous people and the outsiders will ultimately disappear.

c) Undesired project impacts are indirect – not the responsibility of the mining companies. The local people should just clean the mess.

d) Economic or social impact is directly proportionate to the linear distance from the mine or infrastructure.

e) Infrastructure impacts affect only individuals and not social groups.

According to Hyndman (1994), and Downing and McIntosh (1999), all the five are not true.

**Indigenous presuppositions**

The indigenous people believe that they are part of the land. To the indigenous, their will is more important than time. To the non indigenous, ore has to be extracted in the shortest possible time and at the least cost. Governments, on the other hand, are concerned about receiving timely shares of taxes and fees (Downing et al, 2002). Inevitably, negotiations are determined by the level of knowledge, organisation, resources and time to reach a consensus. So, one of the primary causes of indigenous resistance to mining is the potential loss of sovereignty and the indigenous sustainability based on protecting their environment and resource endowments (Cf. Downing et al, 2002).

The bargaining power of a country is likely to be weak when it is faced with a high technology firm (Fagre and Bells (1982). This then means that the more an industry is characterized by innovation, the more difficult it is for a developing country to enter the industry without the help of an established firm from an advanced country. Alternatively, the older the technology, the more a developing country is able to utilize the technology without the need of foreign investors. It has been established that firms that go for product differentiation have a high degree of control over their foreign subsidiaries. This works for coca cola. The access to foreign market has also an influence over the bargaining power.

**Business linkages**

One way of assessing the contribution of large mining companies to poverty reduction strategies is through their linkages with small-businesses. In this regard, the number of small business incorporated in the supply chain is vital. The linkage between businesses can include such activities as inter-firm cooperation between SMEs sub-contracting between large and small business and informal networks.

There are five key forms of linkages between SME and large business

a) **Auxiliary – parent relationship**, where the SME is the buyer

b) **Aucilarization – SMEs provide part of their output to large parent businesses which use these in their own business operations.**

c) **Sub-contracting – SME are involved in processing materials for the large companies**

d) **Complementation – involving the supply of products by SME to large companies which can also be marketed by themselves.**

e) **Maintenance and repair services.**

Other writers have identified franchising, brokerage and flexible specialization (clustering). It has also been noted that linkages can help transfer technology, skills and increase income opportunities to small businesses through market-based relationships which generate wealth.

**Sub-contracting linkages**

These are linkages in which the transactions are between suppliers, often small, which provide intermediate products to purchasing businesses (large), which assemble or produce the final product. Since the transactions vary in character, volume, value and technological content, SME can make significant contributions in value to the core operations of the large producing company. But often, large companies are unwilling to sub-contract high value activities to small businesses.

In assessing the impact of the Private Sector Initiative, several indicators of impact were developed. These included contract value of linkages, jobs created, number of linkages, SMEs in the database and the number of new businesses developed.

Blomstrom and Kokko (1998) argue that foreign direct investment can at times result in benefits for the host country. These benefits can result in improved productivity due to forward and backward linkages with MNC. The host country may benefit from technology by the MNC, hire workers trained by MNC, introduce modern production methods and have what is normally referred to as ‘market access spillovers’.

The writers argue that the productivity spillovers from FDI operate through linkages between the MNC and the local suppliers. Backward linkages will normally be when the MNC have a relationship with the suppliers while forward linkages will come from contacts with the customers.
MNC may in this case contribute to raise the productivity and efficiency in other firms through the following:

a) Assist prospective suppliers set up production facilities
b) Provide technical assistance or information to raise quality of suppliers products or facilitate innovations
c) Provide or assist in the procurement of raw materials
d) Provide training and help in management
e) Assist suppliers to find additional customers

Forward linkages are much more difficult to identify. But Blomstrom (1993) acknowledges that there is much evidence of the existence and potential of backward linkages though there is a growing importance of forward linkages. Some of the characteristics that may influence the extent of linkages by the host country are market size and technological capacity of the local firms.

Issues of partnership
Since partnerships have a history of failures (like in the Dutch case), there is more reason why they should be promoted as a new development strategy for the global south. There is therefore a broader role of not only government policy, private – public and tripartite partnerships but also role of business in furthering development more broadly. What is not clear though, is the extent to which companies can contribute to development via various co-operative means.

The other issue not addressed is how governments can make use of company commitments for development. AnSKolk et al (2006) argues that effectiveness is more likely to be highest if partnerships fit the partners’ strategic objectives. Most literature is of the view that partnerships are seen to overcome three forms of failures:

a) ‘Governance failure’ for governments. Concerns over official development ‘aid curse’ from which aid dependent countries suffer.
b) ‘Market failures’. Companies cannot implement proactive CSR strategies without involving their stakeholders.
c) ‘Good intention failures’. NGO have little efficiency in implementing ideas on development.

Partnerships are seen as a means rather than an end to development. Literature has it that small companies would benefit more from government support than large companies, that governments lacked business experience and lacked transparency and clarity.

There are views that governments cannot shape what companies undertake with regard to development since this is linked to their core activities. Instead they should concentrate on where corporate and development objectives meet.

AnSKolk et al identified three types of partnerships:

a) Micro partnerships: project oriented and focus on particular country or specific activity
b) Meso partnerships: improve the sustainability of a certain sector or supply chain.
c) Macro partnerships: broad objectives, address multiple interests, cover several countries or global activities.

Austin (2000) recognized the interplay between various types of partnerships. The writer noted that macro partnerships are integrative, meso partnerships are transactional and micro partnerships are either transactional or philanthropic. Partnership for development needs to be evaluated in terms of their efficiency and effectiveness. Efficiency can be seen as the internal value added of the partnership by using cost-benefit analysis. Effectiveness of partnership can be seen as the added value and the impact of the partnership. For example, does partnership provide additional and better ways of attaining developmental goals?

The Dutch government recognized the role of national companies to stimulate development. Policy was stated in “Entrepreneurship against poverty” Ministries of Foreign Affairs and economic Affairs, 2000. The report on Natural resources in the Great Lakes Region (2007) argues that people can come out of poverty if redistribution mechanism are improved and producers at the bottom of the value chain receive a better share of the final sales price of their goods. Another way is to attract value adding investments and pooling resources and capabilities across the region.

There is need for joint investments to facilitate distribution of wealth to the poor. One form of partnership as advocated by Van Tulder and der Zwart (2007) is a ‘lease or concession contract’ where the government retains the ownership whereas the private sector manages and operates the services. They do however question the effectiveness of PPPs in developing countries as being questionable. They note that there has been the underestimation of the importance of the informal sector. The authors contend that the informal sector represents one of the most underestimated factors of societal performance. They do not pay taxes, are disorganized, unregulated, little job security, have no access to fringe benefits, comprise majority of economically active women, are local and operate mostly individually or family business. The authors also discuss the question of cooperatives. They are global and underestimated. About 725 million people are connected to cooperatives either as consumers, owners or occupants (vanTulder, et al 2007). They are not supposed to be profit-driven but are expected to redistribute the surplus earned.

3. Conclusion

Investors will always aim for a fair return on their investments. They will use all sorts of ways to ensure that there is a maximization of returns; afterward, that is why they invested in the industry. It is up to the governments and other concerned stakeholders; especially in extractive industries, to ensure that there is close monitoring and compliance of the extractor to all the conditions agreed upon. Any deviations to the agreed upon conditions should be discussed and if possible amendments initiated for the smooth running of the extractive industry due to its delicacy and importance to national economies. It is the responsibility of the host government to provide a conducive investment environment while at the same time reinforce the conditions of the agreement with the investors.

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