

Media, Shareholders, and Gold in Ghana

Fall 2009 INAF U6046 Media and Economic Development
Spring/Fall 2010 SIPA U9044/2 Independent Research Project

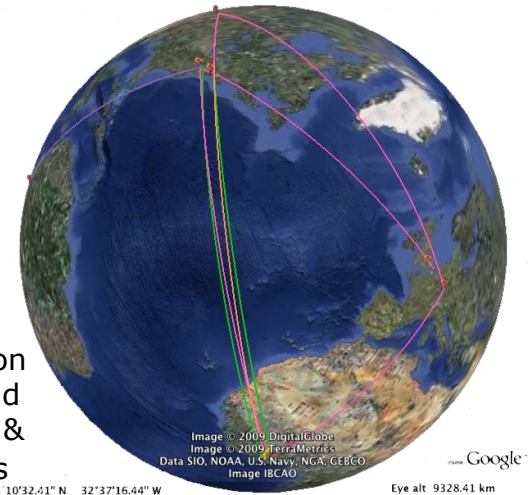
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Introduction

This research project adds to existing research on the role of journalism training in media coverage of the extractive industry in Africa at the International Media Concentration of Columbia University's School of International and Public Affairs (SIPA), led by Professor Anya Maria Schiffrin. The research purpose of "Media, Shareholders, and Gold in Ghana" is to explore the flows of media coverage between journalists in Africa, international media, Non-governmental organizations, and management, shareholders, and communications departments of an extractive industry company.

Although the internet has dramatically improved the possibility for access to an incredible range of information, it is not yet used to its fullest potential. For example, shareholders may get information about what a company is doing through mainstream media, direct engagement with the company, and from non-governmental organizations. What African journalists write, however, often doesn't end up reaching shareholders directly, even though many African publications are available in English and published



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online. Improvements in communications could include social networking platforms, customized RSS feeds, and dynamically driven GIS platforms that track media coverage and map distribution paths. At the conclusion of this project recommendations will be made on how to improve communications and increase access to information for journalists, nongovernmental organizations, companies and investors.

Newmont in Ghana

As a case study, this project features an analysis of media coverage and flows of communication concerning two events related to the activities of Newmont Mining Corporation, a U.S. company with gold mines in Ghana. The first event is a social issue shareholder resolution filed against Newmont

in 2007, in which shareholders asked Newmont to review its policies regarding community relations. The second event is an October 2009 cyanide spill at Newmont's Ahafo mine in Ghana, one of two mines of Newmont's subsidiary Newmont Ghana Gold Ltd..

Mapping Media Flows

The picture on the cover of this document shows a Google Earth screen shot with a layer of lines symbolizing connections between producers and consumers of information. These are connections between the headquarters of Newmont Mining in Colorado, its gold mines in Ghana, Ghanaian NGOs, international NGOs, shareholder organizations, and media organizations. These connections were drawn by hand using Google Earth.

We are building a Geographic Information Systems (GIS) model that generates a visualization from data on media sources such as print, web, newswire, company database, and NGO newsletters. The intent is to identify as wide a range as possible of producers and consumers of media coverage related to the two events, to add georeferences to publications, identify the distribution paths of this media through surveys and generate an interactive visualization. This visualization is to provide an overview of the global network of media flows and to facilitate analysis of possible gaps in the network. The model will be presented in both an interactive online format and in print format.

Background

Newmont in Ghana

In 2006 Newmont Ghana Gold Limited, a subsidiary of Newmont Mining based in Denver, Colorado, started operations in the Brong Ahafo Region in Western Ghana. Their mine was the first large scale mining operation in the region.

2007 Shareholder Resolution

When Newmont Mining shareholders Christian Brothers Investment and a group of ten faith-based investors filed a 2007 Shareholder resolution [1] asking Newmont to report on community relations, Newmont decided not to fight the resolution but instead agreed to work with the resolution filers to fulfill the requests from the shareholders. This was the first time that a U.S. mining company faced with a social issue shareholder proposal recommended shareholders to vote for such a proposal. Newmont promised to fulfill the shareholders' request to establish an independent committee to survey the company's community relations strategies and emphasized that it was deeply committed to full transparency and improved communications.

Community Relations Review report

The Newmont Community Relations Review report created according to the outcome of the 2007 shareholder proposal was executed by environmental law firm Foley and Hoag and made available on Newmont's website in March of 2009. A committee reviewed case studies of five mines in Peru, New Zealand, Indonesia, the United States and Ghana, conducted by independent study teams and coordinated by Foley and Hoag.

One risk noted in the report is the nationalization or internationalization of community concerns about the Ahafo mine. The commencement of mining operations at Ahafo attracted national and international attention, particularly from environmental groups. In a departure from traditional corporate communications, the report stated some less-than favorable facts about the company:

During the past decade, conflict between mines and local communities has resulted in the deaths of community members in Peru and Ghana, lawsuits and the imprisonment of Newmont executives in Indonesia, the reclassification of two million ounces of proven and provable reserves in Peru, and significant negative media attention at a global level.[2]

The report stated that "advocacy organizations and civil society groups are questioning the extent to which large scale mining undertaken by private corporations leads to sustainable long term benefits for host societies." The

report noted that general resistance to mining could lead to protests affecting Newmont's operations, particularly as Newmont is planning to expand its operations in Akyem in the Ajenjua Bepo Forest Reserve, nicknamed the "bread basket" of Ghana.

The Community Relations Review study team at Newmont's Ahafo mine in Ghana conducted interviews with 30 people who live around the Ahafo mine and "found that "[b]y channeling community concerns and frustration through initiatives such as the Social Responsibility Forum and the Community Consultative Committee, Ahafo Mine is expecting to reduce the incidents of conflict and the potential for community frustrations to find expressions in unproductive ways." By dealing with numerous issues that could increase conflict, Newmont's team at the Ahafo Mine is "in the process establishing a positive relationship with the local community," the report states.

Cyanide spill

On October 8th 2009, Ghanaian newspapers reported a cyanide leak at Newmont's Ahafo mine. The cyanide spill elicited a great deal of media coverage; a review of articles published in Ghanaian media between October 8th and November 16th yields conflicting information about the location of the lab where the cyanide sample was analyzed, the number of fishes found dead, and whether human beings were affected by the cyanide.

2009 Prizes for Newmont

Dow Jones Sustainability World Index (DJSI)

Newmont was awarded a place in the top ten “most sustainable” percent of mining companies on the Dow Jones Sustainability World Index (DJSI) for the third consecutive year. A recent Newmont press release states:

Our commitment to ensuring that our host communities continue to have sustainable livelihood has been recently recognized by the Minerals Commission of Ghana, whose top executives endorsed Newmont as setting the pace in community and social responsibility programme.

Newmont’s public relations materials feature stories about numerous community engagement initiatives such as the Ahafo Linkages Programme, through which it awarded contracts valued more than \$10 million to 125 local Ahafo enterprises as of mid 2009, and the establishment of the Newmont Ahafo Development Foundation, which aims to address environmental and social concerns. Company literature states that Newmont makes available \$1 per ounce of gold mined, plus 1% of net profit to the foundation for community development projects. The company’s website highlights numerous other efforts, from mitigating community concerns to HIV/AIDS prevention.

Public Eye Award for “Worst Company of the Year”

Another prize awarded to Newmont in 2009 was the Public Eye Award for “Worst Company of the Year.” Newmont was nominated by Wassa Association of Communities Affected by Mining (WACAM) and German-based NGO Foodfirst Information and Action Network (FIAN). In a YouTube video of the award ceremony held in Davos, Switzerland, WACAM executive director Daniel Owusu-Koranteng says that he feels that the negative award for Newmont is a positive award for his organization’s work and a proof of international recognition for the plight of communities in developing nations which are negatively affected by resource extraction. “This is an award that tells Newmont that it can not go on denying the fact that they are violating community rights forever,” Mr. Owusu-Koranteng states [3, 4].

Work Plan

Fall 2009

- » A variety of media and reports gathered from online media databases, other web resources and telephone interviews formed the basis for a project proposal created in a Fall 2009 SIPA course

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- » Data mining in online media databases and other online media content
- » Online and phone surveys will be sent to Ghanaian and international journalists, Ghanaian and international non-governmental organizations and shareholder activist organizations about their knowledge of the two events that are the focus of this study and the data sources they consult on a regular basis
- » Interviews with Ghanaian and international journalists, Ghanaian and international non-governmental organizations, shareholder activists, media distributors, Newmont Mining representatives, and suppliers of company data
- » Build GIS model of the data presented and output as a layer to be integrated in interactive viewers such as Google Earth and Open Street Map
- » Create intermediate report with a study of the georeferenced model and a content analysis of the media gathered.

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- » Create poster sized map with legends for exhibit
- » Finalize analysis, explore Integration of the media flow-mapping concept in existing web platforms in which users can add georeferenced media and build their own models for similar case studies.

Links

SIPA - International Media & Communications

<http://sipa.columbia.edu/academics/concentrations/imc/index.html>

NGOs Engaged with Newmont and Ghana Wassa Association of Communities Affected by Mining

<http://www.wacamghana.com>

Earthworks

<http://www.earthworksaction.org>

Oxfam America

<http://www.oxfamamerica.org>

References

1. *Newmont Mining 2007 Annual Meeting Proxy Ballot DEF 14a: Resolution asking for a report on community relations 2007* <http://www.sec.gov>
2. Hoag, F.a. *Newmont Mining Corporation Community Relations Review Global Summary Report 2009* http://www.beyondthemine.com/2007/pdf/CRR_Final_Global_Summary_Report_March_2009.pdf
3. FIAN, "2009 Public Eye Award Ceremony". 2009. <http://www.youtube.com/watch?v=rHoius6lREE>
4. WACAM, W.A.o.C.A.b.M. *Shortlist 2009: Newmont Mining Corporation Nominated for the Public Eye Global Award 2009. Internet [Report] 2009; Available from: http://www.evb.ch/cm_data/Newmont_Mining_Corporation_WACAM_engl.pdf.*