Forthcoming: ***Resources Policy***

Benefit Sharing, Power, and the Performance of Multi-Stakeholder Institutions at Ghana's Ahafo Mine

Sam Szoke-Burke
Columbia Center on Sustainable Investment

Eric Werker[1]
Beedie School of Business, Simon Fraser University

December 15, 2020

Abstract: This article examines the role of power, influence, and participation in driving the formation and operation of project-level multi-stakeholder institutions (MSIs), matching political economy theory with case study evidence from the Ahafo gold mine in Ghana. In Ahafo, MSIs were created through benefit-sharing agreements between the mining company and local communities in order to set and manage the distribution of benefits from the mining rents. Drawing on field interviews and other data, we find that the MSIs reflected existing power structures and struggled to enable broad-based participation in decision-making concerning benefit sharing and beyond. Despite having new institutions, and partly because of them, the ability of many stakeholders to influence the distribution of rents from the mine did not increase. The findings point to the role that complex political dynamics play in shaping the formation and implementation of project-level MSIs.

Keywords: Multi-stakeholder institutions; multi-stakeholder initiatives; benefit-sharing agreements; community development agreements; mining and communities; political economy; Ghana; community participation

Acknowledgements: We are grateful for the research collaboration with Ben Boakye, Maggie Cascadden and Jordon Kuschminder in the original Canadian International Resources and Development Institute (CIRDI) project, which shaped insights that are further developed here. We also thank the communities in Brong Ahafo for sharing their time and ideas with us during the field research. The paper benefited from the comments of the editor and two anonymous referees. The original field research was supported by CIRDI under the project "Enhancing International Capacity for Benefit Agreement Implementation," as well as by the Canadian Social Sciences and Humanities Research Council under the project, "Benefit-Sharing Agreements in the Mining Sector," grant number 430-2016-00652.

[1] Corresponding author. Segal Graduate School of Business, Simon Fraser University, 500 Granville St. Vancouver BC V6C 1W6. ewerker@sfu.ca

I. Introduction

Multi-stakeholder institutions (MSIs) are increasingly used to manage the potentially conflicting interests of different stakeholders and rights-holders in the context of extractive and other resource investments (Mena and Palazzo 2012). In the mining sector, communities bring histories of established land and resource use and ownership; governments usually have legally recognised subsurface mineral ownership rights; and proponent companies obtain licenses and/or concessions from the government to extract the minerals (Peterson St-Laurent and Le Billon 2015). Representatives from the company, government, community, and civil society may formalize their varying interests into a collective process to determine how to distribute the costs and the benefits from the mining project across the different groups (O'Faircheallaigh 2015).

After Newmont, an American mining company, acquired mining authorizations in Ghana's Brong Ahafo region in 2002, it began developing a mine that would displace some 10,000 people in the first, open-pit, phase (Mares 2012). In 2008, representatives of ten farming-dependant communities located inside the mine lease signed two benefit-sharing agreements with Newmont in which the company pledged to contribute $1/oz of gold mined as well as 1% of net profits to local development projects.

Newmont spearheaded the creation of several MSIs as part of its benefit-sharing agreements (BSAs) with the surrounding communities. The first, the Ahafo Forum (the "Forum"), was a 58-person body with representation from the company, traditional leadership, local government, women, and youth, among others, which negotiated the agreements in the first place. The second, the Newmont Ahafo Development Foundation (NADeF), was overseen by a committee jointly staffed by company and community representatives and charged with administering local development spending. A multi-stakeholder tender board and employment committee were also created. In theory, these MSIs would determine the level and allocation of local benefits from the mine and govern their implementation.

The BSAs were vehicles for the company to manage expectations and secure local support, and to minimize the risk of conflict with the communities. Such conflict is relatively common: a survey of 2,500 mines operating in Africa between 1990 and 2014 found that roughly 25% experienced nearby social conflict (Steinberg 2019, 6). Mining generates conflict for a number of reasons (Andrews et al 2017), including because of local grievances relating to the allocation of mining revenues (O'Faircheallaigh 2018) and the ability (or not) of local actors to influence decisions concerning their lands and resources. Potential economic, political and other costs of conflict for companies and governments therefore create incentives for such actors to distribute revenues and/or include communities in deliberative processes

(Steinberg 2019, 20). Mining creates rents[2] that are usually split between the company, government, and local communities—and then further distributed through formal institutions or by influential actors within these entities to their ultimate beneficiaries. Mineral rent allocation resembles a contest in which the pattern of allocation is determined through negotiation in a political and institutional space.

This article examines the effectiveness of these project-level MSIs in distributing mining rents to, and among, the ten participating communities. We investigate whether the MSIs fulfilled the promise of equitably distributing rents and creating opportunities for all community subgroups to meaningfully participate in decision-making. To do this, we draw from field research in Ghana, where we participated in a research team that interviewed individuals from all of the stakeholder groups represented in the MSIs.[3]

Distribution of mining rents is complex where the ownership of natural resources may be subject to multiple claims. Communities affected by a resource project may have a direct claim to rents, or at least to rental fees or a share of output from the mine (Dupuy 2014; CCSI 2017). This can occur when national laws give local communities some right of approval over proposed investment projects. For instance, in Sierra Leone and Ghana, firms seeking to use community lands for agricultural plantations are generally required to directly lease those lands from communities or family landholders (Yeboah and Kakraba-Ampeh 2016, 7; Cotula 2018; Boamah 2014). In the Philippines, companies seeking to mine resources on Indigenous land are required to obtain community consent and pay communities royalties (Dupuy 2014, 211; CCSI 2017, 16-17). Communities can also secure direct access to revenues through negotiated agreements (BSAs) with proponent companies even in the absence of legal requirements to do so, such as in the case of the Ahafo mine. Community benefits from mining rents usually lie between zero to 3% of revenue but can be higher, depending on commodity prices, when rents are shared through the payment of royalties (O'Faircheallaigh 2016, 186 and 191).

Rents are then distributed (or not) within a community, according to existing power structures, institutions and norms. Some research emphasises that institutions, policies and local customary and cultural organisation of land ownership, rather than the rents themselves, determine whether the impacts of rent distribution (O'Faircheallaigh 2018, 104, 112)—and, indeed, of resource extraction in general (Steinberg 2019 16-17, citing Menaldo (2016) and Jones Luong and Weinthal

---

[2] Rents from mining refer to the surplus value realized from a mining project after all extraction, production, and transportation costs, including normal business profit, have been subtracted. Geological processes (leading to high-quality ore, easy to access) and location (close to market, unencumbered by competing claims) are large drivers of rents.

[3] The field research was part of a study undertaken by a larger group of researchers under the auspices of the Canadian International Resources and Development Institute to examine the implementation of the Ahafo benefit agreements (Boakye et al, 2018).

(2010))—are likely to be positive or negative. The degree of participation by different actors or groups within such institutions may determine how widely rents are shared. Governance structures and rules regulate how different interest groups interact, and may be designed to increase the participation of less powerful participants. Such participation may have the additional effect of mitigating conflict, depending on how well tensions between powerful community actors, such as chiefs or formal land owners, and the wider interests of community members are managed (O'Faircheallaigh 2018, 114).

Multi-stakeholder approaches and benefit sharing agreements

One increasingly adopted solution for addressing distributional problems arising in the context of resource investments is to design a multi-stakeholder initiative, institution or process. In line with a broader neoliberal "shift from 'government' to 'governance'", (Peterson St-Laurent and Le Billon 2015, 591) multi-stakeholder approaches bring together actors with different interests, including government, community representatives, NGOs, and business, in order to "bridge the gap between grass-roots action and top-down policy" (Soreide and Truex 2013, 205-206). They often arise in situations of weak governance, where the government's formal power of enforcement is regularly neglected or otherwise not implemented (Soreide and Truex 2013). If the government fails to enforce regulations, such as environmental laws, multi-stakeholder processes can be established in an attempt to fill this enforcement "gap." Such MSIs might be formed in response to pressure from NGOs, social movements, and other actors seeking stronger regulation and accountability. While MSIs can give those actors formal voice at a newly-created institution, they are also subject to control or resistance by more influential government and private-sector participants, who can deflect blame and accusations and use their participation to obscure accusations of wrongdoing (Arond et al 2019, 670-671; Bebbington et al 2017, 837-840). An MSI may thus actually be preferred by powerful actors who can easily influence or control it to mitigate the potential for stricter governance in the future.

At the project level, a common strategy for managing a mine's or other project's negative impacts is the negotiation of a BSA.[4] Like multi-stakeholder approaches, the turn towards contractual approaches to corporate accountability has also been categorized as "rais[ing] issues of neo-liberalization of resource governance" (Gathii and Odumosu-Ayanu 2015, 93). Whether or not domestic laws require a government or company to obtain a community's consent to a project, many extractive-industry companies and project-affected communities enter into formal agreements where community representatives indicate acquiescence to the project (Peterson St-Laurent and Le Billon 2015).[5] Among other reasons, companies

[4] Other terms for these agreements include impact and benefit agreements, community development agreements, and partnership agreements, among others (Otto 2012)

[5] Whether the acquiescence expressed in such agreements amounts to the community providing its "free, prior and informed consent," which in many cases is a binding international legal standard, will

negotiate BSAs to safeguard a mine's success by establishing enduring relationships with community members (Peterson St-Laurent and Le Billon 2015, 597), and to avoid conflict, which can be extremely costly (Davis and Franks 2014; Locke et al 2019).

Project-affected communities may decide to negotiate agreements with companies for very different reasons, including to formally reaffirm community rights, create legally enforceable company obligations, remediate past or anticipated harms, and provide a mechanism for sharing in the rents that the project may produce (Gathii and Odumosu-Ayanu 2015; Szoke-Burke and Cordes forthcoming 2020-21). In other cases, formal community representatives may conclude deals or establish other arrangements, with or without the awareness of community members or government, to secure patron-client networks or otherwise benefit personally (Lavers and Boamah 2016, 101-2; Mares 2012, 268-9, citing Botchie et al. 2007; Dupuy 2017; Cernansky 2019).

Nonetheless, agreements are "are often conceptualized by the industry to ensure a project's success" rather than to fulfill a community's aspirations (Peterson St-Laurent and Le Billon 2015, 597; Gathii and Odumosu-Ayanu 2015, 93). In exchange for the community's acquiescence, extractive companies may offer a number of different types of transfers to the community, and explicitly describe them in a BSA. Such transfers may include monetary payments, guarantees for local employment, procurement opportunities for local firms, training and education opportunities, and the development of local infrastructure. These transfers are effectively financed by the rents of the mine. The distribution of these transfers—and the machinations of efforts to enhance community participation concerning such distribution and other relevant decisions concerning the project—is the subject of inquiry of this article.

Contribution of the article

This article builds on earlier policy-focused field research, which sought to study the operation of the Ahafo BSAs, in order to determine how they were operating in practice, and whether they could be improved. That research resulted in a policy report that contained 25 suggestions for enhancing the BSAs' substance and implementation, and reforming future renegotiation processes (Boakye et al 2018). This article seeks to reconsider the BSAs from a different perspective. Specifically it draws from theoretical frameworks, to move beyond questions of content and process (Caine and Krogman 2010, 79) to clarify how power and influence shape the BSAs' formation and implementation.

This article finds that the MSIs established through the BSAs reflected existing power structures, and struggled to enable broad-based participation. Despite having

---

depend on the circumstances of each case and cannot simply be proved by the existence of an agreement. See, e.g., Peterson St-Laurent and Le Billon 2015, 598.

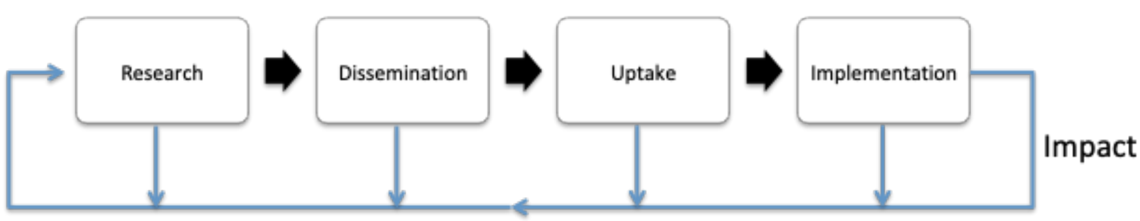
elegant new institutions—and partly because of them, as the theory suggests—the ability of many participating stakeholders to influence the distribution of rents from the mine has not increased. The company, on the other hand, has sometimes played a dual role of both a participant with its own interests as well as a check on local self-interested behavior. This case study serves as a cautionary note for those working at the interface of resource investments and communities who might assume that project-level MSIs set up through BSAs will effectively ensure community benefit distribution. In reality, complex political dynamics will shape the formation and implementation of project-level MSIs, and the ways in which rents are ultimately distributed.

The rest of the article is organized as follows. Section II describes the methodology that we used to collect data, develop the theory, and interpret the results. Section III provides a theoretical framing for the analysis, drawing from political economy and new institutionalist perspectives. Section IV details the Ahafo case study, exploring the MSIs that govern community relations and the distribution of benefits. In section V, we evaluate the extent to which the Ahafo MSIs were designed, and implemented, to allow for broad-based participation and influence over benefit distribution. Section VI brings the findings together in a discussion and conclusion.

II. **Methodology**

This article builds on earlier field research on the Ahafo BSAs (Boakye et al 2018) undertaken at the invitation of local community members. The research team was composed of members from a university, two university-based applied research centers, a community impact consultancy, and a leading Ghanaian think tank that researches and advises on resource policy. Working closely with community members who also served as facilitators, the project was construed as co-produced community-engaged research in which the research question was driven by community demand, and the findings would be tailored for community impact. Findings were disseminated locally and nationally in Ghana by the domestic think tank, and internationally by the applied research centers. Phipps et al (2016) describe a pathway from research to impact with co-produced knowledge, which we summarize in Figure A.

Figure A: Co-produced knowledge and impact



Source: Adapted from Phipps et al (2016, 4)

Co-produced research involves a collaboration between academic and non-academic partner organizations: when it is done successfully, impact is higher through more targeted research questions, more effective dissemination, validation of research and establishment of best practice, and research-informed policy (Phipps et al 2016). One important benefit is represented in the feedback loop in Figure A. At each stage in a co-produced research project, positive linkages result with the research process itself, including through the identification of new research questions.

While Boakye et al (2018) was focused on a practical evaluation of the performance of the BSAs and included specific policy recommendations to improve the performance going forward, it nonetheless identified a number of insights that called for further academic inquiry and engagement with theory in order to be better understood. Boakye et al arrived at those insights through a focus group exercise involving all of the authors and the community-based research team members identifying the themes from the findings, proposing recommendations, and tabling insights for future inquiry. One of those insights, discussed briefly in Boakye et al (2018, 47), was the interacting roles of power and participation observed in the design and implementation of the BSAs.

The current study takes that insight and unpacks it. To do that, we coded interview data from 109 persons interviewed in May 2017[6]—including traditional leaders, other community members both serving and not serving in the MSIs, government representatives, Newmont employees, and civil society representatives—for themes of power and influence. Interview participants had been selected in order to provide a broad range of perspectives on the performance of the BSAs; along with our colleagues, we interviewed community members in all ten affected villages as well as other stakeholders and actors involved in the negotiation and implementation of the BSAs. In addition, we analyzed the BSAs themselves to understand the formal allocation of power and opportunity for participation to different interest groups. We identified the theory to find academic precedent and framing for the results, using a "systematic combining" research approach (Dubois and Gadde 2002), iteratively returning to the data to curate the evidence for theoretical relevance.

The case of Ahafo can be read as a "critical case" to understand the potential role of political economy in the design and operation of a project-level MSI. For one, the MSIs set up by Newmont in Ahafo are considered a global "best practice" and have won the company awards for its social engagement strategy (Mining.com 2014, Newmont 2017). In addition, community relations at the Ahafo mine are relatively well studied (e.g., Mares 2012, Lawson and Bentil 2014, Owusu-Ansah et al 2015, Boakye et al 2018, Andrews 2019), which enables readers to compare the findings of this article against competing narratives.

---

[6] The research was undertaken in accordance with Simon Fraser University's Ethical Conduct for Research Involving Humans, the TCPS2.

III. Theory

In this section we describe relevant theoretical considerations for understanding the Ahafo MSIs.

Club and institutional theory

While MSIs may be perceived as a promising solution to hard problems in the context of large-scale investments, an emerging literature on multi-stakeholder initiatives[7] reveals that such processes often do not live up to their promise (e.g., Faysse 2006, Soreide and Truex 2013). MSIs have been the subject of theoretical research from two primary approaches: club theory, and institutional theory (Zeyen, Beckmann, and Wolters 2016). The most investigated kind of MSI is the voluntary membership organization: consider, for example, when companies and other stakeholders in an industry set voluntary standards for members to follow. Through voluntary MSIs, private sector actors can establish regimes of self-regulation, thereby mitigating the risk of government over-regulation without putting member firms at a competitive disadvantage (see Mena and Palazzo 2012). According to club theory, voluntary MSIs provide a good to the members—a reputation for being socially responsible—whose benefits outweigh the costs of compliance (Bartley 2009). For instance, participating in transnational resource-specific multi-stakeholder initiatives like the Extractive Industries Transparency Initiative (EITI) enables states to secure other benefits, such as improving their international reputation and securing access to more foreign aid (Sovacool and Andrews 2015, 190).

In contrast to club theory's explanation for why members *join* an MSI, institutional theory allows an understanding of the pressures that influence the *behavior* of members once they have joined (Zeyen, Beckmann, and Wolters 2016). Specifically, once an MSI shifts the norms for an industry, non-members will face pressure to join to "maintain their current level of legitimacy" (Zeyen, Beckmann, and Wolters, 2016, 346).

Club theory and institutional theory may help to explain why influential actors are motivated to participate in multi-stakeholder processes. But this logic may not readily apply to project-level MSIs. For instance, the Ahafo MSIs are intended to distribute a previously-fixed level of resources, whereas voluntary membership MSIs should in theory allow for additional resource generation and norm creation concerning distribution. Similarly, both voluntary membership MSIs and the Ahafo MSIs are designed to include a wide range of perspectives, but the Ahafo MSIs do not have unlimited room for new entrants. Further, whereas a thematic or sector-wide

[7] In this article, we sometimes use the terms multi-stakeholder approach, initiative, or process to refer to more general efforts to bring multiple stakeholders together. We use the term multi-stakeholder institution, or MSI, to refer to a specific arrangement with codified rules and structures, that includes stakeholders of different types.

multi-stakeholder initiative can admit new companies prepared to adhere to its norms and standards, the Ahafo MSIs center on only one project. Because the primary objectives of the Ahafo MSIs is to enable dialogue among stakeholders linked to a single mine and distribute benefits to constituents of members, they are less a "club," and more a set of political institutions.

Political economy

To understand the formation of political institutions we turn to political economy and new institutionalist literature in economics and political science. In economic models of institutional formation or juncture, the basic premise is that the current elite chooses the institutional structure subject to some set of constraints that will give them the highest return. For example, Acemoglu and Robinson (2000) explore a scenario in which an autocratic elite must decide on whether to democratize during a given period of social upheaval; if the elite cannot credibly commit to redistribution in the future, democratization may actually be in the elite's interest. The decision to adopt a particular institutional design is constrained by the institutional options then available to the elite, but they nonetheless can optimize their position by determining which of those institutions they will choose.

A different study, concerning how Central American governments and private sector actors responded to calls for increased recognition of Indigenous rights, revealed a similar, and similarly complex, response. By "opening just enough political space to discourage frontal opposition, but too little to allow for substantive change from within," states and private sector actors were able to "fend off collective demands that could set in motion transformative political challenges" (Hale 2002, 509-511). In these cases, the question is not whether powerful actors will willingly cede power but rather how they will respond to pressure for change. A project-level MSI is thus likely created when it is in the interest of existing powerful stakeholders (or rights holders) to do so.

Of course, institutions will not necessarily deliver egalitarian or even "fair" outcomes. Instead, institutions can privilege some interest groups over others, since institutional factors "influence the political processes that adjudicate among conflicting interests" (Immergut 1998, 17). That is, institutions "matter" in adjudicating outcomes across heterogeneous actors by affecting the costs and benefits of different political choices.

When resource rents are introduced, institutions may enable or allow the unequal distribution of benefits. Following the emergence of petro states, social science literature has examined the "rentier state" model in which a small share of the economy creates rent-intensive wealth and "the rest of the society is only engaged in the distribution and utilization of this wealth" (Beblawi 1987, 385). Rents may be distributed to mitigate conflict and generate developmental gains; because this distribution is usually controlled by politically influential actors, rents are often distributed with the intent of maintaining the political status quo, and public goods and private favors often become blurred or indistinguishable (Beblawi 1987, 387). Yet rentier states are also susceptible to new coalitions emerging that might have been excluded from the original distribution; for example, in Iran, the groups excluded from the Shah's regime—which included urban workers, unemployed people, and the middle class—participated in the 1979 revolution that toppled the monarchy and set up a new distribution of spending and priorities (Skocpol 1982).

Political economy conditions in project-level MSIs

While it may be tempting to assume that each representative within an MSI has an equal ability to influence its actions and outcomes, such assumptions are usually inaccurate. A political economy framing acknowledges the potential for power differences across interest groups, as well as the potential for different actors to align in order to achieve a privileged result. Influence or alignment need not be coordinated or even conscious; as explained by Steven Luke, power can be understood as "extended over the entire social context in which institutions are located" (Caine and Krogman 2010, 82-83).

To understand where power differences emerge at the community level , we need to consider how else the company could have achieved community acquiescence. In the absence of a project-level multi-stakeholder approach, the company may simply seek approval from local leaders. Traditional authorities, such as chiefs, may be the legal figureheads for their community and may derive legitimacy from pre-colonial authority, and religious and cultural leadership (Ray 2003). In Ghana, in particular, chiefs have often engaged in contestation to defend and even expand their control over the allocation of community lands and compensation from other local and governmental actors, and "have been accused of redefining and misinterpreting customary rules in their favour" (Kidido et al 2015, 21; Lavers and Boamah 2016, 101-2). While some governments themselves may be "selectively absent" from the establishment of BSA arrangements for specific projects, others may be actively excluded by chiefs seeking to preserve or reassert control (Peterson St-Laurent and Le Billon 2015, 591; Lavers and Boamah 2016, 101-2). Alternatively, local government officials may have the authority to establish water agreements, as is the case in Mongolia (Boldbaatar, Kunz, and Werker 2019), or grant land use permits, which accords them some leverage over the mining company. Either type of local leader will not readily enter into an MSI that leaves them worse off than what would occur under the status quo. They may seek to be personally compensated for going along with the wider initiative, particularly if it is likely to constrain their behaviour. O'Faircheallaigh (2018, 104) notes, however, that while the tendency of elites to engage in rent seeking is regularly noted in theoretical literature, less research has been conducted on the potential for political leaders to play a positive role by encouraging longer-term approaches and developing institutional capacity to more effectively manage rents.

Coalitions of interest groups may also emerge to claim resource rents at the community level, including spoiler coalitions that might subvert the intentions of an

MSI. Among community members, local leaders facing dilution of power may collaborate with other groups diminished by the MSI. MSIs around mining projects rely heavily on representatives from the mining company, yet company employees do not have homogenous interests. Investor-facing senior management and sustainability-focused professionals may engage in a stakeholder-management approach (Post, Preston, and Sachs 2002) as a way to seek a competitive advantage for raising equity cheaply (Welker 2014, 71) and winning bids on new projects in politically-sensitive jurisdictions. Meanwhile, local managers with short-term perspectives and community relations representatives may prioritize quelling dissent and avoiding disruptions to operations by dealing with local elites, who may benefit from, and even co-produce patron-client relationships with the company (Welker 2014, 69; cf Mares 2012, 248). It is possible that local managers and local leaders could form a coalition, with local elites manufacturing ostensible community approval—just as they might in the absence of an MSI—and working with local company managers to hide the "silent coup" from headquarters. Such coalitions could be especially likely in countries like Ghana, where politically influential chiefs may seek to reaffirm their control over local lands and resources by shutting out government administrators and dealing directly with investors (Lavers and Boamah 2016, 102).

Multi-stakeholder institution dynamics and norm generation

Institutional theory posits that in addition to being sources of legitimacy, MSIs can drive the generation of norms. Local elites might therefore be constrained by the dialogue and discourse of the MSI, particularly if it is around equitable distribution and inclusivity. An MSI can thus modify the choice set and the range of acceptable actions by participants, even if they enter into the initiative from a position of power. The potential for a multi-stakeholder process to generate a more inclusive distribution of rents lies in opportunities for progressive actors to innovate institutional processes, as has been noted in a study of NGO participation in the EITI in Latin America (Arond et al 2019, 667). New forums of multi-stakeholder dialogue can be used to stake claims, which, when adequately substantiated, leave "companies and the state … no option but to accept to include new indicators or open up new areas for debate" (Arond et al 2019, 670). However, while elite NGOs in Peru and Colombia were able to stake such claims and achieve improvements through participating in the EITI, such changes applied mainly to the operation of the EITI process itself, and were also dependant on such actors' negotiation capacities, financial resources and international networks (Arond et al 2019, 673).

Norm changes take time, and in the interim, the MSI's more powerful members can influence how institutional design actually translates to actions and outcomes. Research on business regulation has found that policies may take one form on paper, but be implemented in practice entirely differently (Hallward-Driemeier and Pritchett 2015). This difference between policy and practice may be driven by political interests or simply institutional inertia. For instance, EITI insiders have observed that the institution only allows for "slow and incremental change" and constrains “by design, or by default” more transformational change (Arond et al 2019, 667 and 673). In the case of the Ahafo MSIs, participation may be formally incorporated into the institution but not substantively enabled in its implementation, thus severing the link between representation and constraints on the elite.

Participation

Meaningful participation in public decision-making is a human right[8] and decision-making regarding the management of local lands and resources is especially important for communities who rely on those lands and resources for livelihood generation, social connection, and cultural and spiritual sustenance. Enhanced participation also holds the promise of two important outcomes for mining-affected communities. First, meaningful participation could help to achieve a more equitable distribution of rents and access to decision-making processes (Mahanty and McDermott 2013). Having “a seat at the table,” combined with adequate technical support and opportunities for internal organization, can enable community representatives to better understand and respond to company and government perspectives, and, theoretically, to secure more protections and benefits (Szoke-Burke and Cordes forthcoming 2020-21).

Second, meaningful participation can help avoid or mitigate grievances and conflict, whether within communities, or between community members and the company (Locke et al 2019). Increased participation can increase communication and expectation setting between community members and company representatives, decreasing the chances that unexpected actions or reactions will escalate into formal grievances or conflict. Enhanced participation can also avoid outcomes likely to cause conflict by protecting important community assets such as water sources, cultural sites, and access routes. Meaningful participation can also indirectly contribute to conflict mitigation when it helps to achieve more equitable rent distribution, as described above.

Thus, while some of the prior theoretical discussion has focused on political interests and relative power, effective participation holds some potential to address power imbalances and elevate the influence of less powerful stakeholders and interest groups. On the other hand, ineffective or under-resourced participation is unlikely to have that effect.

---

[8] All persons have the right to participate in public affairs: United Nations General Assembly (UNGA), “International Covenant on Civil and Political Rights,” 23 March, 1976, s. 25, http://www.ohchr.org/en/professionalinterest/pages/ccpr.aspx. This right may also may also include entitlements for project affected communities to be consulted and to effectively influence public decision-making processes regarding resource projects that affect them: see, e.g., UN Committee on Economic, Social, and Cultural Rights, General Comment No. 21: Right of Everyone to Take Part in Cultural Life, (December 21, 2009), UN Doc. E/C.12/GC/21, par. 40.

In the following section we further describe the context in Ahafo before evaluating the evidence to determine whether the Ahafo MSIs enabled meaningful community participation and influence or whether they reflected the power-driven political framings described in the literature.

IV. Background to the Ahafo multi-stakeholder processes

The Ahafo BSAs

Negotiations between Newmont and ten discrete communities located within its mining licence area resulted in two community-company BSAs and a third agreement between the company and the Newmont Ahafo Development Foundation (explained below).[9] Together those agreements established a range of MSIs aimed at achieving harmonious company-community relations (Social Responsibility Agreement or "SRA", s. 2) and sustainable local development (s. 3).

Chief among these MSIs is the **Forum**, a 58-person body including representatives from traditional authorities and government, Newmont, subgroups of the communities including representatives of women (six) youth (ten) and farmers (two), and moderators (two) (s. 5). The Forum's stated purpose is to oversee the implementation of the BSAs (s. 6). The Forum also has a 16-member **Standing Committee**, including one representative each for youth and women, which acts on the Forum's behalf between sessions and considers proposals to amend the Relationship Agreement (ss. 10 and 11).

In order to spend the funds promised to the community by Newmont, the BSAs create the **Newmont Ahafo Development Foundation** (NADeF), whose board of trustees comprise a company-appointed chairperson, two other company appointees and six members nominated by the community (SRA, s. 22). **Sustainable Development Committees** for each of the ten communities, composed of community, traditional authority and local government representatives at the village level, are tasked with submitting project proposals to NADeF's executive secretary, who is appointed, and whose salary is paid for, by Newmont (Foundation Agreement 2014, ss. 5.2, 9.3, 14.5). An 11-member **Tender Board**, whose members include two youth representatives and no women's representatives, then receives tenders for each proposed project that is allocated funding. The company's interest in influencing the Tender Board is reflected in its having two representatives on the tender board as well as three representatives from the Newmont-controlled NADeF.

---

[9] These are: Social Responsibility Agreement between the Ahafo Mine Local Community and Newmont Ghana Gold Limited; Local Employment Agreement between the Ahafo Mine Local Community and Newmont Ghana Gold Limited; and the Development Foundation Agreement between Newmont Ghana Gold Limited and the Newmont Ahafo Development Foundation, all of which were signed in 2008. In 2014 these were each revised, and the Social Responsibility Agreement was renamed the Relationship Agreement.

The BSAs set out targets for the employment of community members. The 2008 Local Employment Agreement required that at least 35% of the mine workforce be Ahafo community "citizens," a number that would increase to 50% within ten years of gold production. In 2014, this number was renegotiated down to 24%, which must reach 35% after ten years of production. An **Employment Committee** made up of Newmont human resources representatives and delegates from each District is tasked with monitoring community employment trends at the mine and a community citizen validation process, as well as any other employment related tasks as assigned.

Table 1: Formal representation within the Ahafo MSIs

<table>
<tr><th></th><th>Forum</th><th>Standing Committee</th><th>NADeF</th><th>Sust. Dev. C'ee</th><th>Tender Board</th><th>Employment Committee</th></tr>
<tr><td>Total</td><td>58</td><td>16</td><td>9</td><td>7</td><td>11</td><td>7</td></tr>
<tr><td>Quorum</td><td>29</td><td>7</td><td>5 (including Chairman)</td><td>Not stated</td><td>7</td><td>5 (including at least 2 of community and Newmont)</td></tr>
<tr><td>Farmers' representatives</td><td>2</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Informal community subgroups</td><td>16
(10 youth, 6 women's reps)</td><td>2
(1 youth, 1 women's rep)</td><td rowspan="2">6?
("nominated by the community")</td><td>2
(1 youth, 1 women's rep)</td><td>2
(youth)</td><td rowspan="2">4
("representatives of the community")</td></tr>
<tr><td>Traditional Authority or appointees (incl. Unit committees)</td><td>20</td><td>4</td><td>4</td><td>2</td></tr>
<tr><td>Queen mothers</td><td>4</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Local government</td><td>6</td><td>2</td><td>0</td><td>1</td><td>2</td><td></td></tr>
<tr><td>Regional/ national government</td><td>1</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Newmont</td><td>3</td><td>2</td><td>3</td><td>0</td><td>2</td><td>3 (incl Chairman)</td></tr>
<tr><td>Experts / administrators</td><td>4 (2 Forum moderators and 2 CCC moderators)</td><td>2 (Forum moderators)</td><td>1 (Executive secretary appointed by Newmont)</td><td></td><td>3 (NADeF or NADeF-appointed)</td><td></td></tr>
<tr><td>NGOs</td><td>2</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Leadership appointed by</td><td>Moderators appointed by the Forum</td><td>Not stated</td><td>Chairman appointed by Newmont</td><td>Not stated</td><td>Chairman appointed by NADeF</td><td>Chairman is Newmont's Human Resource Manager</td></tr>
<tr><td>Institution's</td><td>Forum</td><td></td><td>Newmont</td><td></td><td>NADeF</td><td>Newmont</td></tr>
</table>

secretary appointed by	(Nominated by Moderator and approved by Forum)				(NADeF Projects Coordinator acts as secretary)	(Secretary is the participating Newmont HR rep)

Table 1 details the formal representation of different stakeholders in the various MSIs established by the Ahafo BSAs. Membership is made of both "informal community subgroups" and traditional authorities, as well as government, company, and experts. Source: Authors.

The Forum's large number of members enables its membership to be the most reflective of the variety of informal community subgroups: 31% of the Forum's members represent such perspectives. However, a lack of representatives of people with disabilities was decried, less than one third of the Forum's representatives were women, and some youth representatives were much older than the age bracket they were charged with representing (Boakye et al 2018).

The Forum's Standing Committee's representation downgrades the representation of informal community subgroups to 12.5%. Newmont's representation increases from 5% at the Forum to 12.5% on the Standing committee as does the moderators' representation (from 3.5% to 12.5%).

Representation of informal community subgroups on the Employment Committee and NADeF's board is less clear. The Local Employment Agreement requires four "representatives of the Community" but does not explain whether they can or must (or cannot or must not) be chiefs or other formal or traditional community representatives.[10] The Foundation Agreement requires that six members of NADeF's board be nominated by the community, with three coming from each district; one representative from each district must be female and that two representatives must not be members of the Forum. It does not expressly prohibit other chiefs, sub-chiefs, or queen mothers who are not members of the Forum from being nominated. Sustainable Development Committees have a youth and a women's representative, which together make up 28.6% of representatives. The Tender board has two youth representatives, constituting 18% of representatives, but has no women's representatives.

Traditional authorities such as chiefs and queen mothers (as well as unit committee representatives and chiefs' appointees) are well represented. They make up 34.5% of the Forum and 25% of the standing committee. They comprise 57% of each

[10] Ahafo falls within the Ashanti kingdom, whose king recognizes a number of Omanhene (paramount chiefs), each of whom administers a stool (traditional jurisdiction). Paramount chiefs exert political control over sub-chiefs (that represent large communities) and village chiefs (that represent smaller communities). Queen mothers occupy a parallel stool with responsibilities for women and domestic affairs and advising the chief, are matrilineal in succession, and constitute an important part of Ashanti traditional leadership (Stoeltje 1997).

Sustainable Development Committee and 18% of the Tender Board. While four of the Employment Committee's seven members are "representatives of the community", we observed chiefs controlling employment-allocating processes such as the citizenship validation process.

As the bottom of Table 1 indicates, despite the breadth of representation, Newmont retains formal control over the direction and administration of the MSIs. In no case do informal community subgroup representatives control the appointment of chairpersons, moderators or secretaries. The Forum's moderators are chosen by the Forum as a whole (and paid by Newmont), and the moderators then nominate a secretary who is approved by the Forum. Newmont controls the appointment of NADeF's chairperson (who it also pays) and secretary. Newmont's Human Resources Manager sits as the Employment Committee's chairman, and the committee's secretary is also a Newmont human representatives officer.

V. Results

In this section we describe the case study evidence from the Ahafo MSIs as it relates to how power and influence shape the BSAs' formation and implementation. In practice, the MSIs acted as new forums for influential parties to exert influence.

Powerful local elites

Local elites' power seemed to undermine the potential for increased numerical representation of less powerful stakeholder groups to lead to an increase of their influence. By wielding social, legal and/or economic influence over community members, traditional authorities and other local elites exerted power even when the numbers appeared against them.

Sustainable Development Committees (SDCs), designed to generate community-specific development projects for NADeF to fund, were dominated by chief priorities. One representative of the District Assembly, the legislative wing of the regional government, explained that "When the chief dreams of any project, he pushes for it," and that some SDC projects, such as the renovation of a chief's palace, do not benefit the people: "palaces will not contribute to the reduction of poverty" (Interview, May 23, 2017). Despite this, District Assemblies rarely objected to SDC proposals that were not aligned with local development plans because "Chiefs are powerful. What they say is final. The rest are rubber stamps" (Interview, May 23, 2017). That representative also noted that District Assembly non-cooperation with Newmont could lead to them losing their job (while most of the District Assembly's members are elected, one third are appointed by the national government in consultation with traditional authorities).

Another interviewee, a previous youth representative at the Forum, noted three ways that traditional authorities or other elites could exert influence at the Forum despite the large number of informal community subgroup representatives. First, the chief seemed to control or influence the selection of that youth representative ("I became a member of the Forum in the early days. It was the chief who asked me to represent the youth.") Second, the Standing Committee, which had only two informal community subgroup representatives, dominated the Forum's agenda and operation ("The Standing Committee at the Forum would meet and plan what would be discussed and negotiated. And then we would approve it. Usually the Standing Committee would just come and say, 'this is what we have agreed.' Most of the time we would accept it.") And third, chiefs asserted to other community representatives that the chiefs had legal powers to control communal lands and therefore their wishes should be obeyed ("The chiefs were more powerful at the Forum. They will have their way more than any other community representative because they had rights to the land. We were pushing for there to be [resettlement] compensation for more than just crops and houses but the chiefs would say that the land is theirs; not the community's.") (All quotes in this paragraph: Interview, May 22, 2017)

Based on the experience both in creating and administering the Ahafo MSIs, it appears that when powerful local actors participate in a project-level MSI, they will still not readily concede power to other actors.

Privileged company interests

The Ahafo MSIs were established not with the express purpose of abdicating the influence and participation of local elites and company representatives, but instead to "provide the Community with the opportunity to participate in *the Company's* decisions and plans" (emphasis added) and as an administrative mechanism for overseeing the distribution of rents to "ensure the sustainable development of the community" (SRA, ss. 3(b) and (f)). The SRA was also framed in high-level understandings concerning the maintenance of "peace and harmony" and conflict resolution (s. 2)). Table 1, above, shows the formal representation of the company throughout the MSIs, which gives it significant formal agenda-setting and voting power to begin with.

Local elites' influence in the MSIs may have been constrained by the presence of Newmont's representatives and its appointees. The mere presence of Newmont representatives at the Forum, the Standing Committee, NADeF, the tender board and the employment committee was a formal element that may have constrained the influence of local elites when their interests conflicted with Newmont's (such as when the company requested a reduction of the required local employment percentage). But this constraint on local elites would formally leave the burden on Newmont to create pressure on local elites to enable broad community participation, rather than empowering subgroups of the communities themselves. Predictably, where Newmont had no motivation to spend political capital on insisting that the chiefs cede any influence in favour of broader community participation in a certain decision or process, the formal constraint did not result in broader community participation and influence.

Thus, the company played a dual role in the Ahafo MSIs of both exercising power to serve its own interests, as well as to check the power of local elites when in its interest to do so.

Participation as a check on elite influence?

Despite the Forum's expanded formal representation of community subgroups described in the previous section, members had mixed opinions regarding the opportunities for them to contribute to the Forum's discussions and decision-making. One former forum member reported not being able to speak on one occasion and being regarded as a trouble maker for challenging the moderator's continuing role after the expiration of the maximum number of terms (Interview, May 20, 2017). Another Forum member was empowered to speak out after receiving training from a civil society organization not aligned with Newmont, but still noted a belief that while others may sometimes also have their say, they will be ignored (Interview, May 20, 2017).

The MSIs' formal design did not provide for substantial shifts in norms or constraints on elite power. The institution with the most community representation, the Forum, still failed to numerically entrench community participation; it also was subject to other formal elements that enabled the continuing dominance of powerful actors. For example, informal subgroup representatives were less represented in the Standing Committee. Other institutions also failed to formally constrain the influence of traditional authorities, which would help to thereby entrench meaningful community participation. Informal subgroup representatives were also less represented in each community's SDC, for example.

Another design element that creates a distortion between perceived and actual community influence and participation is the inclusion of opaque nomination procedures for community representatives. In addition to the abovementioned example of a Forum youth representative being selected by a chief, other institutions also leave open the possibility that local elite actors can disproportionately influence the selection of community subgroup representatives. For example, vagueness concerning the nomination processes for community representatives in NADeF ("nominated by the community") and the Employment Committee ("representatives of the community") fails to safeguard the nomination process from the influence of local elites.

Additional interventions to ensure that formal arrangements operate in practice to enable community influence and participation were also lacking. Many interviewees voiced concerns about the limited extent to which community representatives consulted with those they represented, and community representatives admitted that information about discussions at the Forum was not consistently made available to community members who do not participate (Boakye et al 2018, p. 35). On the other hand, those whose skill development was supported by external actors, such as the Forum member who had received advocacy training from a local civil society organization with no links to Newmont, were able to advocate for change.

The above-mentioned challenges were compounded by a lack of monitoring and learning concerning community participation within the MSIs, and of feedback loops to address shortcomings and improve the operation of the institutions. For instance, Newmont representatives confirmed that the company does not monitor whether Forum representatives are meaningfully consulting with their respective communities (Boakye et al 2018, 36). Nor were local employment figures easily accessible (Boakye et al 2018, 41-42), despite this being a basic requirement for disclosure to be able to lead to any change in practice (Boldbaatar, Kunz, and Werker 2019). Given the complexity of the BSAs, close monitoring is essential in order to improve performance and their ability to enhance participation and the more equitable distribution of rents. Yet, monitoring does not seem to be a significant part of the BSAs' implementation nor the culture around the BSAs. Newmont did commission an evaluation of NADeF, but to our knowledge it has not formally evaluated the agreements that create the Forum, the Standing Committee, and the Employment Committee, among other MSIs.

Despite some openings for wider participation, the modest level of effective participation in the Ahafo MSIs did not seem to influence decision making, and failed to substantially constrain the power of local elites.

Spoiler coalitions?

The agreement created opportunities for self-interested collaboration, bartering, or tacit alignment between company managers and local elites. There was some perception in the community that this occurred in practice, such as on the matter of local contracting. While the BSAs did not explicitly create local contracting targets they nonetheless funded a stream of development projects implemented through NADeF that would create business opportunities for local contractors. Some half dozen chiefs owned contracting companies, and the perception existed in the community that tendering decisions could favor chiefs who, once profiting from the arrangement, would be unlikely to upset the status quo by voting against Newmont's interests (Interviews, May 20 and 24, 2017). One contractor also believed that collusion took place, recounting an example of a tendered project, where the winning bid—that of a chief's company—arrived at a figure exactly USD 200 less than the figure NADeF had confidentially budgeted for the project (Boakye et al 2018, 45; Interview, May 24, 2017).

A second area for potential spoiler coalition collaboration concerned local employment creation. Besides having a target for local employment, the BSAs defined how local "community citizens" would be verified, which required the relevant chief, Assembly member, and youth leader to validate a person. Numerous community members were unhappy with the process, believing that leaders were being bribed to validate people from outside the community (Boakye et al 2018, 42).

Surprisingly, in 2014 the Employment Agreement was amended to reduce Newmont's local employment obligations from 35 to 24%. This seemingly gratuitous capitulation by the community was seen by a number of community members as a likely outcome of some collaboration. The logic was the following: local elites were benefiting through contracts and gatekeeping opportunities, and in exchange, allowed company managers greater freedom over filling jobs as they saw fit. At the same time, company managers were seen as outsiders who were more interested in hiring their "own people" than hiring locals (Boakye et al 2018, 41). The situation thus created both a supply of and demand for illegitimate community citizen slots. One youth representative at the Forum, when asked why community representatives voted in favour of the amendment, noted the following:

> "If the community has 10 [sic.] traditional leaders, 10 youth leaders, 10 [sic.] women leaders, you have the majority? How can the Forum then side with Newmont? The Moderator and Co-Moderator are chosen and paid for by Newmont. The leadership of the entire Forum is paid for by Newmont. The Chiefs told the youth to calm down [about the local employment reduction] and they must obey." (Interview, May 19, 2017, emphasis added)

Spoiler coalition collaboration or alignment may also have occurred between chiefs and the Forum's moderator, each of whom were perceived to dominate other community representatives or members in SDC consultations and Forum meetings respectively. Whereas chiefs use extra-institutional power (societal influence, allusions to their legal powers over lands) to assert influence, the moderator was able to dominate Forum meetings by referring to his institutional power, as set out in the BSAs, as well as his demonstration of knowledge about mineral extraction. A similar coalition emerged in the Standing Committee, which dominated agenda setting for forum meetings (Boakye et al 2018, 5).

In summary, the design and operation of the Ahafo MSIs created the potential and the perception for smaller coalitions to subvert the official objectives of the MSIs and to concentrate power and benefits. Yet, a counterpoint to the "spoiler coalition" proposition occurred in some SDC meetings, which reflects our key result about the dual role played by the company in the project-level political economy. While some community representatives reported a tendency of chiefs to silence other SDC participants, other interviewees thought it more likely that SDCs would pay attention to community members at consultations if Newmont staff *were* present (Boakye et al 2018, 37).

VI. Discussion and conclusion

The evidence from the Ahafo MSIs, as understood through the lens of the model, suggests a combination of logics working to promote both intended and unintended outcomes. When a variety of stakeholders (including rights holders, "veto" wielding actors who might be able to stall the project, and potential members of spoiler coalitions) are brought together to distribute rents from a resource project, there will generally be a political contest over those rents. The advantage for institutionalizing rent distribution through an MSI is that the new institutions, like any institution of governance, could theoretically create both formal and norm-based constraints on the actions of the various actors.[11] Designing an MSI thus requires considering both static and dynamic effects. Static effects consider the immediate incentives of the new institutions on different actors and any changes in relative power. Dynamic effects allow for actors to be able to regroup and form new coalitions.

In the case of a mining project undertaken in the middle of a dense agricultural area, one likely and important goal for an incoming company is to obtain the community's acquiescence to having a mine in the area, sometimes referred to as obtaining the "social licence to operate" (Cooney 2017). Indeed, Newmont likely viewed the BSAs as a vehicle for, or culmination of, such acquiescence. While such agreements offer the potential to overcome shortcomings associated with voluntary corporate social responsibility initiatives, they, too, can introduce significant challenges concerning both negotiation and implementation (O'Faircheallaigh 2015). Such challenges persist at Ahafo. One potential exacerbating factor could be the lack of legal requirements under Ghanaian law concerning agreement making. When agreements are not required by law, and when administrators are not closely involved, companies can control with whom they contract and whether or not such agreements establish binding obligations. This factor likely disempowered community counter parties, and afforded the company significant influence over the framing or "narrative" of the negotiations (Boakye et al 2018, 49). For instance, some communities located outside the Ahafo concession boundaries, but who were still likely to experience adverse impacts, were excluded from negotiations; further, both BSAs signed by the communities had clauses stating that they "[did] not create any legally enforceable rights" (Boakye et al 2018, 17, 19, 34, 35).

To sustain community acquiescence in Ghana, with incomplete government regulation of mining activity and the regularly perceived tendency of traditional leaders to act in their self-interest, a mining company would need to reach beyond the traditional elite. Yet, it would not be wise to bypass the traditional leaders, lest they leverage their considerable influence to block the deal (Kidido et al 2015; Lavers and Boamah 2016). Multi-stakeholder approaches can bring in representatives of additional stakeholder groups to the table who might be able to constrain other participants and facilitate broader rent distribution. This places the different stakeholders in a relationship involving regular communication, bargaining and contestation. Yet, as we observed, such interactions and institutions tend to be heavily influenced by existing power dynamics (Immergut 1998; Peterson St-Laurent and Le Billon 2015).

[11] Relatedly, the degree to which norms of an MSI are complied with by powerful actors can serve as a useful reference point for advocacy efforts by aggrieved participants.

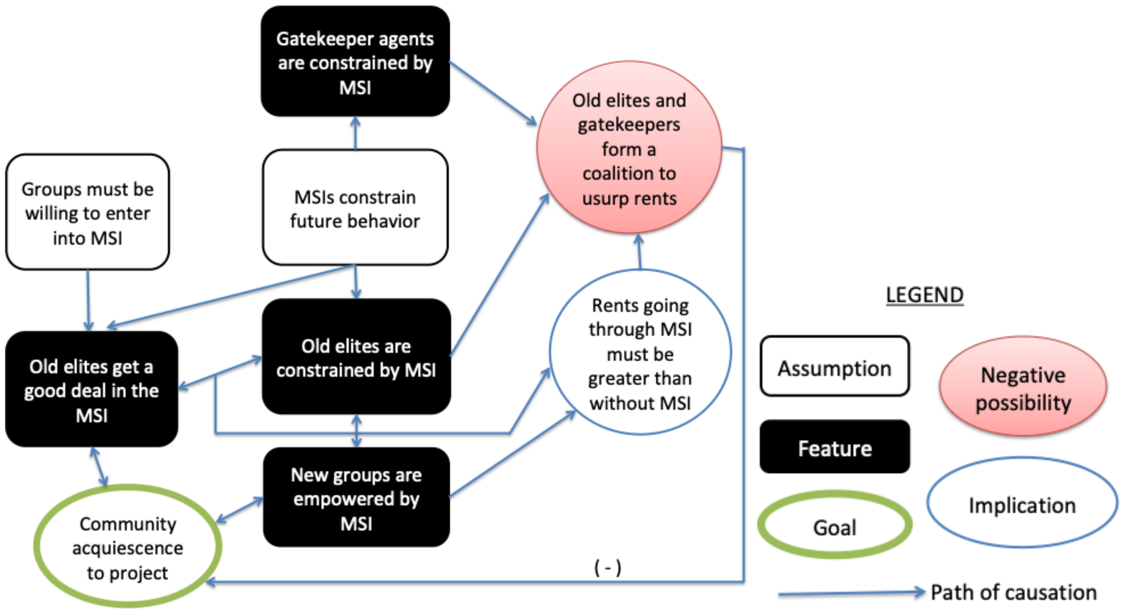
These interactions lead to the dynamic effect of the MSI: the outcomes that result will be based on the ability of each stakeholder group's representative to advance its own interest. But to bring the original veto holders—especially the traditional leaders, in the Ahafo case—along, they would need to be confident that the transformative potential of the institution is limited (Acemoglu and Robinson 2000; Hale 2002). Thus, the traditional leaders were given a substantial amount of power in the new institution--an initially counterintuitive outcome. They nonetheless may be constrained by the representation given to other community subgroups and by the norms that might emerge when traditionally under-represented groups are given voice. In order to ensure that traditional elites' influence and access to rents remains as strong as it would have been in the absence of the MSI, and to make space for new groups, it follows that the size of rents must be expanded to accommodate everyone. This can be reflected formally (for instance in the large number of Forum members) and substantively (for instance, in the financial and employment pledges, which Adebayo and Werker (2020) calculate to equal over 1% of life-of-mine revenue, a figure much larger than a mine's normal social responsibility budget).

Solely engaging with local leadership, and not obtaining and maintaining the free, prior and informed consent of all affected community members, can lead to many challenges for proponent companies. First, such an approach runs counter to international best practice and human rights standards. This is likely to be a concern for companies with human rights- and sustainability-conscious equity holders or customers, and can increase financial and reputational risks. Second is the problem of corruption; if local leaders do not distribute the proceeds of the agreement to the broader community, this increases legal risks, as well as increasing the chances of community opposition. Third, and relatedly, local leaders may not have sufficient legitimacy or control to prevent conflict, and thus may not be able to minimize the risk of such conflict emerging (Locke et al 2019). Fourth is the so-called hold-up problem: after the sunk cost of the investment, local leaders can threaten to not renew approvals or otherwise cause the interruption of company operations, through community blockades, unless the arrangement is made more advantageous for them (Welker 2014, 69). Thus, part of the promise of the Ahafo MSIs is to incorporate additional stakeholders and subgroups of the community as checks and balances, helping to safeguard the community's enduring acquiescence.

The traditional elite is not the only group constrained through the MSI, as discussed in Section V. Gatekeeper agents like the local company managers are also constrained. Yet this leaves open the possibility that these two constrained groups—who themselves have significant influence over the MSIs' implementation, if not its rules and norms—could form a coalition to capture control of the new institutions.

We describe these various forces and outcomes in Figure B. All of the paths of causation are positive, and some of them are mutually reinforcing, except for one: if a spoiler coalition forms to capture rents or control, the community's acquiescence to the project is threatened.

Figure B: Multi-stakeholder institutions and community acquiescence in a mining project



Source: Authors

Figure B illustrates the foundational bargains of the MSI. One, the old elite are given a good deal to entice them to grant authorization, but they also face constraints. Two, new community groups are given formal opportunities both to secure rents and rights against the company but also to constrain the old elite (albeit without knowing how easy it will be to effect change through those opportunities in practice). These dynamics generate some implications: to make room for the new groups and encourage enduring community acquiescence, the size of rents is increased. Yet this creates an incentive for the original veto players to join forces with the constrained technocrats to usurp the additional rents for themselves. (While framings based on "connivance" between the company and local leaders have been repudiated by Andrews (2019, 91) as lacking nuance, our theorization of spoiler coalitions, combined with the acknowledgement in Section III that power can emanate unconsciously, and over entire societal and institutional contexts, is intended to meet his call for more nuance and recognition of the role that power plays in determining who can participate in, and benefit from, the BSAs.)

Towards meaningful participation and more equitable rent distribution

From the company's perspective of obtaining community acquiescence, the modeling of the MSIs reveals a tension between short-term expediency and long-term stability and community satisfaction. The Ahafo MSIs do create formal space for the participation of representatives of potentially marginalized groups. Yet they do not stop the system from favouring the views of the traditional leaders at the cost of other community groups like youth, women or farmers (who are formally represented in the Ahafo MSIs), or people with disabilities (who are not). Given that traditional elites manage to maintain their influence through social norms of deference to traditional authority, legal recognition of traditional authority, and patronage networks, the "gains" secured for broad-based community participation are revealed to be more modest than they appear on paper. These are reduced even further by the introduction of a dominating external actor: the Forum moderator.

As the guarantees for meaningful participation by all community subgroups are revealed to be less than fully realized, so too are the MSIs' ability to effectively manage conflict. Instead, as the figure shows, if a spoiler coalition is formed, it actually increases the prospect for community dissatisfaction and grievances by perpetuating a distribution of benefits that is perceived as unfair through a process that is not sufficiently equitable or inclusive. When local employment creation guarantees are reduced in exchange for no obvious benefit, or when chiefs benefit the most from contracting opportunities linked to the mine, both trust and the broad-based distribution of transfers throughout the community are reduced.

By examining the incentives to form a spoiler coalition, we can envision an alternative coalition that would be in favour of securing stronger protections and design elements aimed at achieving meaningful, broad-based participation and influence by all subgroups of the community. Such an alternative coalition might include the non-elite community members and the investor-facing, senior managers of the international mining company. The former group wants their share of the rents and protections from the mine's negative impacts, and the latter group may share a desire for the broader-based granting of free, prior and informed consent for the mine in order to meet investor and financier requirements and secure a more stable local context in the long term. ESG-focused investors may be able to pressure companies to place a greater weight on successfully establishing that alternative coalition, though further sensitisation on the topics of community participation and norms such as free, prior and informed consent would likely be a necessary prerequisite.

MSIs may still have a role to play in achieving a more equitable distribution of resource rents, but design elements, including the questions of governance and community support and empowerment, would need to be enhanced. Company HQ and sustainability professionals, and financiers focused on minimizing operational risk could play a key role by pushing for or even requiring the companies they invest in to contribute finance to independently-administered basket funds to finance community support (Szoke-Burke and Cordes 2019) and allowing time and space for communities to build skills, technical knowledge, intra-community unity and, ultimately, power in order to more effectively participate in MSI processes. Companies and related actors that do not take such steps risk effectively reaping what they sow if power imbalances are replicated and spoiler coalitions emerge, increasing the risk of community grievances and conflict.

Conclusion

This article explains how power and influence play a significant role in determining the distribution of benefits, and the degree of community participation, in a set of project-level MSIs in the mining sector. A political economy framing can bring some clarity and realism to at least three components of MSI creation and implementation: (1) the desirability, for different actors, of establishing an MSI in the first place; (2) how power and incentives can affect implementation of the MSI and benefit distribution; and (3) the potential for participation to generate broad-based benefits while tempering elite capture and spoiler coalitions, and the challenges thereto. Political economy can play an important role, alongside club theory and institutional theory, in understanding MSIs; its insights also deserve consideration by practitioners and stakeholders involved in the negotiation, implementation, and monitoring of project-level MSIs in the natural resources sector. We gratefully drew valuable political economy insights from theoretical literature focusing on community development agreements and on sector-wide multi-stakeholder initiatives; additional political economy research on project-level participatory mechanisms, whether or not directly linked to such agreements or initiatives, would be a welcome contribution to the literature, and would likely enable actors to more easily identify applicable insights, without having to draw analogies to different types of arrangements.

References

Acemoglu, D. and Robinson, J.A., 2000. Democratization or repression?. *European Economic Review*, *44*(4-6), pp.683-693.

Adebayo, E. and Werker, E., 2020. What do Communities Get From Mining Projects? Evidence from Valuing Benefit-Sharing Agreements. Mimeo: Simon Fraser University.

Ahmed, F.Z. and Werker, E., 2015. Aid and the Rise and Fall of Conflict in the Muslim World. *Quarterly Journal of Political Science*, *10*(2), pp.155-186.

Andrews, N. (2019). "We Want to Bring Everyone on Board but It's Quite Difficult": Responsibilization via the Newmont Ahafo Development Foundation. In *Gold Mining and the Discourses of Corporate Social Responsibility in Ghana* (pp. 71-103). Palgrave Macmillan, Cham.

Andrews T., Elizalde B., Le Billon P., Oh C.H., Reyes D., Thomson I., 2017. The rise in conflict associated with mining operations: What lies beneath. Canadian International Resources and Development Institute (CIRDI): Vancouver, BC.

Arezki, R. and Gylfason, T., 2013. Resource rents, democracy, corruption and conflict: Evidence from sub-Saharan Africa. *Journal of African Economies*, *22*(4), pp.552-569.

Arond, E., Bebbington, A., & Dammert, J. L., 2019. NGOs as innovators in extractive industry governance. Insights from the EITI process in Colombia and Peru. The Extractive Industries and Society, 6(3), 665-674.

Bartley, T., 2009. Standards for sweatshops: The power and limits of the club approach to voluntary labor standards. *Voluntary programs: A club theory perspective*, pp.107-131.

Bebbington, A., Arond, E., & Dammert, J. L. (2017). Explaining diverse national responses to the Extractive Industries Transparency Initiative in the Andes: What sort of politics matters? *The Extractive Industries and Society*, 4(4), 833-841.

Beblawi, H., 1987. The rentier state in the Arab world. *Arab Studies Quarterly*, pp.383-398.

Boakye, B., Cascadden, M., Kuschminder, J., Szoke-Burke, S. and Werker, E., 2018. Implementing the Ahafo Benefit Agreements: Seeking Meaningful Community Participation at Newmont's Ahafo Gold Mine in Ghana. Canadian International Resources and Development Institute (CIRDI): Vancouver, BC.

Boamah, F. (2014). How and why chiefs formalise land use in recent times: the politics of land dispossession through biofuels investments in Ghana. *Review of African Political Economy* Vol. 41 No. 141, pp.406–423.

Boldbaatar, D., Kunz, N.C. and Werker, E., 2019. Improved resource governance through transparency: Evidence from Mongolia. *The Extractive Industries and Society*.

Botchie, G., Akabzaa, T., Gyasi, E., and Sarpong, D.B., (2007). *Land tenure, land use and environment in Ghana.* Technical Publication no. 72, Institute of Statistical, Social & Economic Research, University of Ghana, Legon.

Caine, K. and Krogman, N. 2010. Powerful or Just Plain Power- Full? A Power Analysis of Impact and Benefit Agreements in Canada's North, *Organization & Environment* Vol. 23(1), pp.76–98.

Cernansky, Rachel, As palm oil production ramps up in Africa, communities work to avoid problems plaguing other regions, Ensia Media. (March 26, 2019). https://ensia.com/features/sustainable-palm-oil-production-west-central-africa/

Columbia Center on Sustainable Investment (CCSI), Requirements for Community Development in Mining Laws (February, 2017). http://ccsi.columbia.edu/

Cooney, J., 2017. Reflections on the 20th anniversary of the term 'social licence'. *Journal of Energy & Natural Resources Law*, 35(2), pp.197-200.

Cotula, L., 2018. Reconsidering Sovereignty, Ownership and Consent in Natural Resource Contracts: From Concepts to Practice. *European Yearbook of International Economic Law.*

Davis, Rachel and Daniel M. Franks, "Costs of Company-Community Conflict in the Extractive Sector." Corporate Social Responsibility Initiative Report No. 66 (2014). Cambridge, MA: Harvard Kennedy School.

Dubois, A., & Gadde, L. E., 2002. Systematic combining: an abductive approach to case research. *Journal of Business Research*, 55(7), pp.553-560.

Dupuy, K. 2014. Community Development Requirements in Mining Laws. *The Extractive Industries and Society* Vol. 1(2014), pp.200-215

Dupuy, K. (2017). "Corruption and Elite Capture of Mining Company Development Funds in Ghana and Sierra Leone," in Corruption, Natural Resources and Development: From Resource Curse to Political Economy, eds. Aled Williams and Phillipe Le Billon (Cheltenham, UK, Edward Elgar Publishing, 2017)

Faysse, Nicolas. "Troubles on the way: An analysis of the challenges faced by multi-stakeholder platforms." *Natural Resources Forum*. Vol. 30. No. 3. Oxford, UK: Blackwell Publishing Ltd, 2006.

Gathii, J and Odumosu-Ayanu, I. T. (2015). The Turn to Contractual Responsibility in the Global Extractive Industry, Vol. 1 *Business and Human Rights Journal*.

Hale, Charles R. Does Multiculturalism Menace? Governance, Cultural Rights and the Politics of Identity in Guatemala. *Journal of Latin American Studies*. 2002. Vol. 34. Cambridge University Press.

Hallward-Driemeier, M., & Pritchett, L. (2015). How business is done in the developing world: Deals versus rules. *Journal of Economic Perspectives*, *29*(3), 121-40.

Immergut, E.M., 1998. The theoretical core of the new institutionalism. *Politics & society*, *26*(1), pp.5-34.

Jones Luong, Pauline, and Erika Weinthal. 2010. *Oil Is Not a Curse: Ownership Structure and Institutions in Soviet Successor States*. Cambridge University Press.

Kidido, J. K., J. Z. Ayitey, E. D. Kuusaana, and E. K. Gavu. 2015. "Who Is the Rightful Recipient of Mining Compensation for Land Use Deprivation in Ghana?" *Resources Policy* Vol. 43, pp.19–27.

Lavers, T., and Boamah, F., June 2016. The impact of agricultural investments on state capacity: A comparative analysis of Ethiopia and Ghana. *GeoForum* Volume 72, June 2016, pp.94-103.

Lawson, E., and Bentil, G., (2014). "Shifting Sands: Changes in Community Perceptions of Mining in Ghana," Environment, Development, and Sustainability 16, no. 1.

Lin, P.T., Li, B. and Bu, D., 2015. The relationship between corporate governance and community engagement: Evidence from the Australian mining companies. *Resources Policy*, *43*, pp.28-39.

Locke, A., Munden, L., Feyertag, J., and Bowie, B., 2019. *Assessing the Costs of Tenure Risks to Agribusinesses*. ODI and TMP Systems. https://landportal.org/library/resources/qtr-report-2019/assessing-costs-tenure-risks-agribusinesses

Mahanty, S., and McDermott, C.L., 2013. "How does 'Free, Prior and Informed Consent' (FPIC) impact social equity? Lessons from mining and forestry and their implications for REDD+," *Land Use Policy* 35: 406–416.

Mares, R (2012). "Corporate Responsibility and Compliance with the Law: A Case Study of Land, Dispossession, and Aftermath at Newmont's Ahafo Project in Ghana," *Business and Society Review* Vol. 117:2 pp.233–280.

Mena, S. and Palazzo, G., 2012. Input and output legitimacy of multi-stakeholder initiatives. *Business Ethics Quarterly*, *22*(3), pp.527-556.

Menaldo, Victor. 2016. *The Institutions Curse*. Cambridge University Press.

Mining.com, 2014. Newmont's Ghana Foundation Recognized by EU-Africa Chamber of Commerce. December 5, 2014, URL: http://www.mining.com/web/newmonts-ghana-foundation-recognized-by-eu-africa-chamber-of-commerce/ accessed Sep 24 2020.

Newmont, 2017. NADeF Named Ghana's Corporate Foundation Philanthropist of the Year," Our Voice Blog, April 19, URL: https://www.newmont.com/blog-stories/blog-stories-details/2017/NADeF-named-Ghanas-Corporate-Foundation-Philanthropist-of-the-Year/default.aspx accessed Sep 24 2020.

O'Faircheallaigh, C., (2015). “Social Equity and Large Mining Projects: Voluntary Industry Initiatives, Public Regulation and Community Development Agreements,” *Journal of Business Ethics*, Vol. 132, No. 1 (November 2015), pp.91-103.

O'Faircheallaigh, C., 2016. *Negotiations in the Indigenous world: Aboriginal peoples and the extractive industry in Australia and Canada*. Routledge.

O'Faircheallaigh, C., (2018). “Using revenues from Indigenous impact and benefit agreements: building theoretical insights,” Canadian Journal of Development Studies / Revue canadienne d'études du développement, Vol. 39:1, pp.101-118.

James Otto, Mining Community Development Agreements Source Book, (Washington, DC: World Bank, Mar 2012): 5, http://siteresources.worldbank.org/INTOGMC/Resources/mining_commu- nity.pdf

Owusu-Ansah, D., Adu-Gyamfi, S., Brenya, E., Sarpong, Y., and Damtar, D., (2015). “Corporate Social Responsibility of Mining Companies in Ghana: The Case of Newmont Ghana Gold Limited at Ahafo,” J*ournal of Social and Development Science* VOl. 6, no. 3.

Peterson St-Laurent, G. and Le Billon, P. 2015. Staking claims and shaking hands: Impact and benefit agreements as a technology of government in the mining sector. *The Extractive Industries and Society*, Vol. 2, pp.590–602.

Phipps, D., Cummins, J., Pepler, D.J., Craig, W. and Cardinal, S., 2016. The co-produced pathway to impact describes knowledge mobilization processes. *Journal of Community Engagement and Scholarship*, 9(1), p.5.

Post, J. E., Preston, L. E. and Sachs, S. 2002. Managing the Extended Enterprise: The New Stakeholder View. *California Management Review* Vol. 45 Issue 1.

Rasche, Andreas. 2012. "Global policies and local practice: Loose and tight couplings in multi-stakeholder initiatives." *Business Ethics Quarterly* 22.4: 679-708.

Ray, D. 2003. Ghana: Traditional leadership and rural local governance. In *Grassroots Governance?: Chiefs in Africa and the Afro-Caribbean*, Ray, D. and Reddy, P.S. (Eds.), pp.83-121.

Skocpol, T., 1982. Rentier state and Shi'a Islam in the Iranian revolution. Theory and society, 11(3), pp.265-283.

Soreide, T and Truex, R, 2013. Multi-stakeholder Groups for Better Sector Performance: A Key to Fighting Corruption in Natural-Resource Governance? *Development Policy Review.* Vol. 31, Issue 2, pp.203-217.

Sovacool, B. K. and Andrews, N. (2015). *Resources Policy* Vol. 45 pp. 183-192.

Steinberg, J. (2019). *Mines, Communities, and States: The Local Politics of Natural Resource Extraction in Africa*. Cambridge: Cambridge University Press.

Stoeltje, B. J. 1997. Asante queen mothers: A study in female authority. *Annals of the New York Academy of Sciences*, *810*(1), 41-71.

Szoke-Burke, S. and Cordes, K. Y., Innovative Financing Solutions for Community Support in the Context of Land Investments (2019). Columbia Center on Sustainable Investment. http://ccsi.columbia.edu/2019/03/22/innovative-financing-solutions-for-community-support-in-the-context-of-land-investments/

Szoke-Burke, S. and Cordes, K. Y., Mechanisms for Consultation and Free, Prior and Informed Consent in the Negotiation of Investment Contracts. *NorthWestern Journal of International Law & Business*, Vol. 41 (forthcoming, 2020-2021).

Welker, Marina. 2014. Enacting the Corporation: An American Mining Firm in Post-Authoritarian Indonesia. Berkeley: University of California Press.

World Commission on Dams, *Dams and Development: A new framework for decision making* (2000), 281, https://www.internationalrivers.org/sites/default/files/attached-files/world_commission_on_dams_final_report.pdf.

Yeboah, E. and Kakraba-Ampeh, M. 2016. *Land investments, accountability and the law: Lessons from Ghana*. International Institute for Environment and Development, https://pubs.iied.org/pdfs/17583IIED.pdf

Zeyen, A., Beckmann, M. and Wolters, S., 2016. Actor and institutional dynamics in the development of multi-stakeholder initiatives. *Journal of Business Ethics*, *135*(2), pp.341-360.