Corporate Image Enhancement in Extractive Industries
LAMCO Case through a Societal Marketing Perspective

Date: 2013-06-07 | Brittany Holtsinger, Erjola Veliaj
Abstract

To identify social initiatives undertaken by extractive industries in developing countries and further discuss them in light of their contribution to societal welfare, followed by a thorough analysis of their impact in regard to corporate image enhancement.

A qualitative case study research approach based on both secondary empirical data and primary information retrieved by conducting in-depth interviews.

Extractive industries fail to overcome their perceived exploitative image due to their minimal engagement in social initiatives in developing countries. Top-down development in accordance with concessional agreement does not truly enhance societal welfare. Hence, societal marketing could effectively assist companies in enhancing their image based on a bottom-up development approach, thereby considering the host community needs.

Societal marketing, Corporate image, Developing countries, Non-profit organizations
# Table of Contents

1. **Introduction** ............................................................................................................. 1
   1.1 Company Background ......................................................................................... 3
   1.2 Problem Statement .............................................................................................. 4
   1.3 Research question ............................................................................................... 4
   1.4 Purpose ................................................................................................................ 5
   1.5 Target audience .................................................................................................. 5

2. **Theoretical Framework** .......................................................................................... 6
   2.1 Developing countries ........................................................................................... 6
   2.2 Societal marketing ............................................................................................... 8
   2.3 Non-profit organizations ....................................................................................... 11
   2.4 Corporate image .................................................................................................. 12
   2.5 Conceptual framework ......................................................................................... 15

3. **Methodology** .......................................................................................................... 18
   3.1 Selection of topic .................................................................................................. 18
   3.2 Research strategy and design ............................................................................. 18
   3.3 Literature review ................................................................................................ 19
   3.4 Empirical secondary data collection .................................................................... 21
   3.5 Primary data ........................................................................................................ 23
   3.6 Research considerations ...................................................................................... 25
       3.6.1 Analyzing data ............................................................................................. 25
       3.6.2 Validity ......................................................................................................... 27
       3.6.3 Limitations ................................................................................................... 28
       3.6.4 Ethics and research ...................................................................................... 28

4. **Empirical data and Analysis** ................................................................................ 30
   4.1 Initiatives created under top down development strategy ................................... 30
   4.2 Spin-offs .............................................................................................................. 33
   4.3 Non-profit organizations and bottom up development ....................................... 36
   4.4 Stakeholders and corporate image ...................................................................... 38
       4.4.1 Present continuation .................................................................................... 41

5. **Conclusions** ............................................................................................................ 42

6. **Recommendations** ................................................................................................. 45

**Bibliography** ............................................................................................................... I

**Appendix** ..................................................................................................................... VI
# Table of Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 1</td>
<td>Developing countries and Top Down development strategy.</td>
<td>7</td>
</tr>
<tr>
<td>Figure 2</td>
<td>The concept of societal marketing.</td>
<td>10</td>
</tr>
<tr>
<td>Figure 3</td>
<td>Non-profit organizations and Bottom Up development.</td>
<td>11</td>
</tr>
<tr>
<td>Figure 4</td>
<td>Corporate image concept reflecting both internal and external environment.</td>
<td>14</td>
</tr>
<tr>
<td>Figure 5</td>
<td>Enhancement of corporate image through societal marketing in developing countries</td>
<td>16</td>
</tr>
<tr>
<td>Figure 6</td>
<td>Process of collecting primary data.</td>
<td>24</td>
</tr>
</tbody>
</table>
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
<th>Source(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BOTTOM UP DEVELOPMENT</strong></td>
<td>An approach to development where progress is seen as the composition of empowering the local people through the means of education, technical training, or entrepreneurship in order to facilitate sustainable development in the host country (World Bank, 2001).</td>
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</tr>
<tr>
<td><strong>CONCESSION AGREEMENT</strong></td>
<td>A contract negotiated between the host country and the corporation which grants the right to operate a specific industry within the jurisdiction, subject to the agreed upon conditions (Latifi, 2004).</td>
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<tr>
<td><strong>CORPORATE IMAGE</strong></td>
<td>The composition of all verbal and visual elements that emanate from the corporation itself, in turn shaping the internal and external perceptions of stakeholders (Abratt, 1989), (Fatt et al., 2000).</td>
<td></td>
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<tr>
<td><strong>DEVELOPING COUNTRIES</strong></td>
<td>A dynamic set of indicators based upon economic, sociocultural, socioeconomic, and political factors which are applied to measure the development of a country (UNDP, 1990; Sen 1999; Adelman &amp; Morris 1973).</td>
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<tr>
<td><strong>LAMCO</strong></td>
<td>Liberian American Swedish Mining Company: a Swedish and US joint venture mining corporation established in Liberia in 1953. (Storette, 1971)</td>
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<tr>
<td><strong>NON-PROFIT ORGANIZATION</strong></td>
<td>An organization located in the host country which serves as an intermediary in community development, and can function as an agency in assisting corporations in effectively enhancing local society welfare (Sianipar &amp; Widaretna, 2012). This relationship as an intermediary is mutually beneficial in terms of both social and economic value (Dahan et al. 2010).</td>
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<tr>
<td><strong>PFP</strong></td>
<td>Partnership for Productivity: a non-profit organization employed by the company to assist in local developmental initiatives (Latifi, 2004)</td>
<td></td>
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<tr>
<td><strong>SPIN-OFFS</strong></td>
<td>Entities that exist as divisions of a parent company before becoming independent units (Patro, 2008).</td>
<td></td>
</tr>
<tr>
<td><strong>SOCIETAL MARKETING</strong></td>
<td>A marketing concept which considers the needs of society, corporate requirements, and stakeholders’ needs, and aligns them in a way which benefits both the corporation and society’s welfare (Kotler, 1972).</td>
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</tr>
<tr>
<td><strong>TOP DOWN DEVELOPMENT</strong></td>
<td>A strategy employed by corporations which engage experts within the company to create development initiatives based upon the host country’s requirements rather than the true needs of local society (Coyne &amp; Mathers, 2010).</td>
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</tr>
</tbody>
</table>
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1. Introduction

The first chapter reflects the background of the research topic and provides a brief introduction of the dilemma extractive companies face with operations in developing countries. Following, the background of the chosen company will be presented, and then the problem statement, research questions, purpose of the research and target audience will be introduced.

The environments presented by developing countries often possess favorable circumstances for the engagement of foreign investment, which may directly contribute to the stimulation of the economy, and to the development of the country itself (UNCTAD, p. 15). The presence of foreign investors not only serves for corporate economic gains, but also provides a variety of intangible resources to the host country such as knowledge transfer, technology, social infrastructure and employment opportunities. These countries are often endowed with rich supplies of natural resources, and typically offer more lenient policies regarding trade than those of more developed countries (ibid., pp. 1-9). However, less developed countries require a significantly greater investment in the creation of infrastructure, both economic and social, and the cultivation of human resources (ibid., p. 9). In order to fully address these issues while operating in this context, a range of factors such as poverty alleviation, the implementation of sustainable policies and credible governance must be carefully incorporated into the framework of foreign ventures (Vale Columbia Center on Sustainable International Investment, 2013). This framework should guarantee that long-term goals are mutually shared by the host country, civil society, and the corporation itself. In light of these factors, such considerations are highly applicable to extractive industries which often operate in less developed countries, and require significant financial investments in the creation of infrastructure.

Extractive industries indeed possess the potential to serve as springboards of growth by stimulating economic and social development of the host country. Nevertheless, these enterprises have been scrutinized for being exploitative in nature, despite additional precautions taken by some corporations. To leverage the prospect of extracting resources in this context, corporations should strategically incorporate developmental plans into their initiatives in order to ensure a viable environment remains in the host country after the resources have been exhausted (ibid.). Given these factors, a new perspective shall be explored wherein societal marketing is applied to an extractive industry in order to illustrate how a corporation can overcome negative preconceptions of exploitation, and in the process create a viable community which will endure after the foreign enterprise leaves.
Before delving into the topic, a clear distinction should be made between the concepts of CSR and societal marketing.

Corporate social responsibility (CSR) is a broad and ambiguous term which encapsulates a variety of meanings (Harris et al., 2001, pp. 46-47; Grønhaug et. al., 2008, p. 931). Generally speaking, the term can be divided into main two categories: multidimensional and societal marketing (Harris et al., 2001, pp. 46-47). The multi-dimensional aspect refers to the delineation of responsibilities of corporations in regard to the specific dimensions of economic, legal, ethical, or philanthropic considerations (Baumgartner, R.J., Ebner, D., 2006, p. 2). In contrast, the second aspect of CSR is societal marketing which refers to a more abstract dimension and contains a narrower scope than the aforementioned. While CSR is a broad term with numerous applications, societal marketing focuses on conducting business which considers the overall interests of society and their needs (Baumgartner, R.J., Ebner, D., 2006, p. 3, Harris et al. 2001 pp. 46-47, Grønhaug et. al. 2008, p. 931). With this distinction in mind, this paper will focus solely on the latter concept of societal marketing in regard to the contribution of community development made by a corporation with consideration to the needs of society, stakeholders, and the corporation itself.

The term of societal marketing encompasses three main aspects: the genuine needs of society, stakeholder’s interests, and those of the corporation itself. Once these needs have been identified, corporate activities should be aligned accordingly to meet all requirements. With these considerations taken into account, the concept should strive to ensure the mutual advancement of both society and the corporation itself (Kotler, 1972). This process can be seen as the marketer’s responsibility to deliver a higher standard of living. Therefore it is believed that the concept of societal marketing calls upon companies to “build social and ethical considerations into their marketing practices” (Kotler et al., 2009, p. 6).

Finally, the concept of incorporating ‘good’ into the philosophy of marketing is not however, a recent phenomenon as the expectation for corporations to behave in a way that is socially responsible continues to increase steadily (Sisodia et al., 2007, p. 4). Thus, the term societal marketing coined nearly forty years ago by Kotler (1972) is becoming notably relevant as a strategy for companies to consider implementing in practice, and is especially pertinent in societies which are developing.
1.1 Company Background

The case of LAMCO (Liberian American Swedish Mining Company) has been seen as one of the most intriguing chapters in private investment in a developing country, and represents the largest enterprise abroad during the quarter of a century after the Second World War. The case epitomizes the essence of Swedish morale, and was exemplified by the mining operations conducted in Liberia. Beginning in 1953, the Swedish iron ore company, Grängesberg, entered a seventy year concession agreement for exploration granted by the Liberian government (Storette, 1971, p. 5). This contract stipulated that the company contributes to the creation of both social and economic infrastructure for the development of the country (Latifi, 2004, p. 20). Hence, according to the ‘Joint Venture Concession Agreement’ between a MNC (Multi-National Corporations) and the host country:

A concessionaire has to take necessary actions to build up self-supporting agricultural, industrial and commercial enterprises suitable for the available infrastructure (ibid.).

Sweden’s international reputation of neutrality, technical knowledge, and non-colonial past was very appealing to Liberia. The mother company Grängesberg was the leading private ore exporter in Sweden, and in anticipation of a mass governmental buy-out of one of their mines, began looking for opportunities abroad in 1954 (Storette, 1971, p. 6). Therefore, in 1955 when a geologist reported that a ‘world of ore’ had been discovered, Grängesberg seized the opportunity and began seeking investors for the project. Thus, in 1960 the company -Liberian American Swedish Mining Company (LAMCO Joint Venture)- was established and was comprised of the second largest steel company in the US, Bethlehem Steel, and Grängesberg the Swedish company. The government of Liberia owned 50% of LAMCO’s shares, and the respective companies owned the remainder (GIM, 1978, p. 6). In the fall of 1960, construction for the operations began, and by 1963 the port and railway system were completed (Storette, 1971, p. 8). Concessionaires primarily comply with the creation of infrastructure to the extent of enhancing their operations in the host country; however, the efforts made by LAMCO were intended to raise the standards of life, and improve the conditions of the general populace long after the company had exhausted the site (ibid.).

In order to successfully achieve these goals, the company sought assistance from a non-profit organization to serve as an intermediary for developmental initiatives (Latifi, 2004, p. 109). The company sent officials to more than fifteen development projects in Africa before finally selecting an organization based in Kenya called the Partnership for Productivity (PFP)
The PFP was a non-profit group formed by Quakers, a religious Protestant sect from the US. The partnership between LAMCO and the PFP helped to ensure local knowledge, the ability to remain unbiased, and legitimacy (ibid., p. 112).

These social and economic efforts to create infrastructure continued throughout the duration of the mining operations despite the severe global iron crises, but eventually the company was forced to abandon their operations in 1989. The last general manager of LAMCO was quoted as saying: “The company did its best to promote local development in the area, but in an undeveloped country like Liberia 25 years is not enough, not even 100 years". (Latifi, 2004, p. 193).

1.2 Problem Statement

Few corporations have as a large of a developmental impact as those operating within the extractive industry. The contribution in regard to sustainable growth of this industry is of a crucial importance particularly for developing countries (Hilsonn, 2012, p. 133). Despite the commitment that extractive companies perform by investing in regional development initiatives, they are still subject to challenges concerning corporate image. Hence, given the nature of extractive industries, companies are often perceived as exploiting the host country for economic gains, while not truly making sufficient contributions to the local society (Latifi, 2004).

Therefore, the problem this research project aims to address is the exploitative perception of extractive companies, despite their engagement in social initiatives. This study further seeks to address if societal initiatives which comply with concessional agreements are adequate, or if societal marketing can be used to strategically enhance regional welfare, thereby overcoming their distorted images. As a lack of specific research in regard to societal marketing in extractive industries exists, this study aims to bridge the theoretical gap, and its practical application by corporations.

1.3 Research question

In order to better approach the aforementioned problem statement, and to fully address the purpose of this study, the following research questions are used as a guide when conducting this research project:

1. Do the required social initiatives according to concessional agreements within the extractive industry genuinely enhance the host country’s societal welfare?
2. Can societal marketing as a strategy be used by corporations to overcome exploitative perceptions, and ultimately enhance their corporate image?
1.4 Purpose

The purpose of this study seeks to identify the social initiatives executed by extractive industries operating in less developed countries, and the contributions made to local societies in order enhance regional welfare and corporate image. These initiatives will be thoroughly discussed in light of their impact on both the local society and corporate stakeholders, and the ways in which these actions affect the image of a corporation. These objectives will be accomplished by analyzing how LAMCO managed their image throughout their mining operations in Liberia. This case study possesses a unique opportunity for research as the initiatives were instated before societal marketing had formally emerged as a theoretical concept. Furthermore, as the company was heavily criticized in their home country for their actions, this study seeks to clarify the true nature of the situation by highlighting the proactive nature of LAMCO’s operations towards the internal and external environment.

1.5 Target audience

This paper is intended to generate awareness about the subject of societal marketing in the specified industry for scholars and academics that might be interested in future research of the selected topic, or other related extractive industries. Additionally, the research could serve as a useful base for corporations which are interested or actively pursuing such initiatives in similar markets.
2. Theoretical Framework

This chapter provides an in-depth description of the theoretical concepts employed in this research, and a framework to exhibit the theoretical structure of this research. The primary objective of the Theoretical Framework chapter is to connect the concepts and exhibit the interrelatedness of how they shall address the research question. The following concepts of developing countries, societal marketing, non-profit organizations, corporate image and the conceptual framework will be set forth.

2.1 Developing countries

The first concept appearing in the theoretical framework is the term developing countries to establish the context for the selected case.

When it comes to classifying countries based upon levels of development, there is no criterion which can be universally applied and is accepted by all (Nielsen, 2011, p. 3). According to Rostow (1990, p. 23) multi-faceted criteria are complex and dynamic, which proves challenging when economists try to classify development levels. However as Nielsen (2011, p. 4) describes, in order to better understand the social and economic differences between countries, groups were first created which divided countries into ‘developing’ or ‘developed’. This grouping arose in the 1960’s as a way to characterize countries, and was highly applicable in regards to policies of the transference of resources from developed countries to less developed ones as discussed by Pearson et al. (1970, p. 378). These first standards primarily focused on economic criteria, but would continue to evolve to take into account a host of other considerations. While the International Monetary Fund (2013) considers income level and export diversification, the World Bank (2013) further classifies countries based upon their operational lending abilities and geographic regions when assessing low-income economies. The terminology implies that not all growth is equal, and classification limited to income level does not always reflect the true developmental progress of a country (ibid.). Further expansion of classifications was extended by the United Nation Development Project (UNDP) which elaborated a comprehensive set of criterion titled the ‘Human Development Index' considering factors such as education or literacy, life expectancy, and a command over resources to enjoy living standards (UNDP, 1990, p. 1). However, these are not the only factors considered when evaluating the development of a country (Sen, 1999, p. 3). As noted by Adelman and Morris (1973, pp. 15-16), Karl Marx was the first to attribute socio-cultural factors as a main contributor in the theory of development, and ever since, economists have recognized the importance of considering social structures in their ability to influence economic change. This viewpoint is further discussed by Sen (1999, p. 3) as to how a humanistic approach to development should be explored, rather
than a strictly economic perspective. This approach embodies a dynamic set of constituents influencing development which must be considered in evaluating countries (Adelman & Morris, 1973; Sen, 1999; UNDP, 1990). In this regard, it was noted that criteria such as sociocultural indications must be analyzed and these incorporate: literacy, social tension, modernization. In addition, socioeconomic indicators such as development and urbanization are considered relevant in terms of further specifying rural and urban divides (see Figure. 1). Following this, political indicators are crucial to discern the levels of stability in developing countries and are concentrated in the areas of: centralization of political power, freedoms, military strength, strength of labor, extent of leadership commitment to economic development, the length and type of colonial experience. Finally, Adelman and Morris (1973) attribute economic indicators to ‘GNP, growth rate, natural resources, investment rate, industrial modernization, agriculture organization, and the rate of population growth’ (Adelman & Morris, 1973, pp. 15-16), (see Figure. 1).

![Diagram of Developing Countries]

Figure 1: Developing countries and top-down development strategy.

For the purpose of the research conducted, the criteria considered for the development of a country will not be solely limited to economic indicators, but will also include sociocultural, socioeconomic, and political indications as discussed by the UNDP (1990), Sen (1999), and Adelman and Morris (1973) in the context of the given time.

The aforementioned factors constitute the basis for developmental levels and the appropriate initiatives constructed by corporations with operations in developing countries. In order to contribute to the development of the host country, top down development is a common approach recommended for countries to increase their development rate. This
theory ascribed in order for less developed countries to reach higher statuses, a focus should be placed on a select few lucrative industries. These industries should be geographically concentrated, and the wealth generated by them will eventually spread to other parts of the society (Almgren & Galvenius, 1988).

While theoretically sound, the practical application of the concept is culturally limited as it is often based upon values from the corporation’s origin, rather than addressing the true needs of the host country (Coyne & Mathers, 2010). In application of this strategy, often the engagement of experts within the company is utilized, who design developmental plans for the country based upon personal perceptions, knowledge and experience (Coyne & Mathers, 2010).

Another related concept to development for countries aspiring to create sufficient growth, the concept of spin-offs, is noteworthy of mentioning. This concept is also related to developmental initiatives instated to generate social and economic growth. Corporate spin-offs are usually referred to as entities that exist as divisions of a parent company before becoming independent units (Patro, 2008, p. 596). Due to their positive effects on the company value, spin-offs have garnered increasing attention in the literature during the last decades (Iturriaga & Cruz, 2008, p. 1047). On this note, large corporations are frequently found as spin-off parents who create new business opportunities, that wouldn’t exist otherwise, based on innovative ideas unrelated to the corporations’ core business. Finally, corporate spin-offs are used as instruments by which a corporation can further encourage entrepreneurial activities (Wallin & Dahlstrand, 2006, p. 612).

### 2.2 Societal marketing

Following the aforementioned conceptual background, the second theoretical section is a detailed description of the emergence and evolution of the concept of societal marketing. The concept of ‘societal marketing’ according to Elliot (n.d, p. 20) has emerged as a response to a consumerist movement which emerged in the late 1960’s and 1970’s. This movement as El Ansary (1974, p. 556) believes, further intensively grew due to more sophisticated and highly educated consumers, abusive business behaviors, the increased use of mass media and the emergence of activist groups in regard to consumer protection. This indicated a need for immediate corrective action, and a redefinition of the marketing concept employed thus far (Dunn et al., 1987, p. 3). The newly defined concept incorporated a more societal aspect, and apart from traditional economic goals, was further enriched by a genuine concern for societal well-being, thus bearing more humanistic values (ibid.).
In light of the evolving social standards, marketing was further perceived as an instrument to enhance social control, which ideally should guide society towards a more consumer-oriented culture (Ward & Lewandowska, 2006, p. 242). Hence, this period was characterized by authors such as Kotler and Levy (1971, p. 10), who strongly criticized the application of materialism without considering society's needs. As Ward and Lewandowska (2006) further state:

The inadequacies of the marketing concept thus centered around its short-run operational focus on profit with the satisfaction of the consumer not a goal in itself, but merely a means to this end; its emphasis on material consumption without consideration of the long-run societal or environmental impact of this policy; its narrow stress on the individual and the gratification of immediate and selfish wants without concern for long-run consumer interests (p. 242).

As previously reflected, societal marketing as a concept increasingly emphasizes philanthropic aspects. Indeed, motives driving companies towards societal policies go beyond self-interests (Shultz & Holbrook, 1999, p. 221) by advocating collective welfare. Moreover, governments' intervention (Crane & Desmond, 2002, p. 556), new financial resources (Maignan & Ferrell, 2001, p. 8), and corporate image enhancement are other goals achieved by employing a corporate societal marketing strategy (Hoeffler & Keller, 2002, p. 78).

However, the societal marketing concept is based upon different perceptions, thus creating a gap in the literature in regard to a specific definition (Andrianova & Yeletsikik, 2012, pp. 109-110; Ward & Lewandowska, 2006, p. 242). In addition, Crane and Desmond (2002, p. 558), provide another perspective which doubts the morality behind the concept. One critique by Crane and Desmond (2002) emphasizes the uncertainty of whether or not managers are capable of deciding what is best for the society, and how they could represent public interest without being elected by members of society.

Economical transaction is an additional factor emphasized by Kotler (1972, p. 52), and adds company profits as another dimension of the marketing concept. Indeed, according to Ward and Lewandowska, (2006, p. 243) the goal of companies in reaching long-run consumer welfare is directly affected and in full accordance with long-term goals of profitability. This opinion is further shared by Dawson (ibid.), who claims that enhancement of social problems directly affects companies' long run profits, and thus their future survival.
Moreover, Hoeffler and Keller (2002, p. 78) further contributed to concretely conceptualize ‘Corporate Societal Marketing’ as a strategy which “encompasses marketing initiatives that have at least one non-economic objective related to social welfare and the use of the resources of the company and/or one of its partners”. Therefore, marketing in a societal sense is considered as being both a source of competitive advantage and a tool to influence and shape the attitudes and opinions of other stakeholders (Ward and Lewandowska, 2006, pp. 243-244).

In this context, the societal marketing concept employed in this research project is adapted from Kotler (as cited in Sirgy & Lee, 1996):

The societal marketing concept holds that the organization’s task is to determine the needs, wants, and interests of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserves or enhances the consumer’s and the society’s well-being (p. 21).

Kotler (as cited in Sirgy & Lee, 1996, p. 21) claims that marketing decisions based on societal aspects are a sum of three criteria: a. Company profits b. Society welfare c. Consumers’ satisfaction. (see Figure 2)

![Figure 2: The concept of societal marketing, adapted from Dunkan (2012)](image)

Finally, societal welfare is the principal concept affiliated with societal marketing within this study. Likewise, company profit as a secondary dimension of societal marketing along with consumer satisfaction are not taken into account as they are not related and affecting the studied topic.
2.3 Non-profit organizations

When expanding in developing countries, corporations are exposed to a variety of challenges. Of crucial importance is the need to adapt the developed countries' business model to host countries with consideration to cultural, economic, institutional and geographic features (Dahan et al., 2010, p. 327). Coming from a different background, most corporations lack both tangible and intangible resources to successfully address these challenges; thus, collaboration with local non-profit organizations provide companies with the relevant tools to properly address developmental issues, thereby enabling them to create and deliver value in an alternative way (ibid.).

Being located in the host country, non-profit organizations function as an intermediary to achieve community empowerment (see Figure 3), and serve to assist companies in enhancing local societal welfare (Sianipar & Widaretna, 2012, p. 197).

![Figure 3: Non-profit organizations and Bottom Up development](image)

The partnership with non-profit organizations according to Dahan et al. (2010, p. 327) is a mutually beneficial relationship in terms of both social and economic values. Hence, the companies bring business expertise and resources, and the non-profit organizations provide access to local stakeholders. This would not be possible otherwise and reduces the gap between the community as locals and the company as a foreigner (Oetzel & Doh, 2009, pp. 112-113). In this regard, corporations cannot simply expose the host country to new or advanced resources in the hopes that the community will absorb this knowledge. Rather, as shown in figure 3, companies should build local capacities in partnership with non-profit organizations which can further result in training and education by directly involving the local community. Furthermore, corporations can benefit from the expertise and know-how regarding community needs, values and the cultural understanding of these organizations.
Being respected and credible in the community, non-profit organizations can share and transfer some of their reputation to foreign firms, therefrom providing legitimacy in the host country (ibid.). The benefits and resources that partnerships with non-profit organizations provide to companies operating in these countries can be exemplified in the access to local expertise which ultimately leads to higher organizational credibility.

Through the assistance from these organizations in addressing locals’ needs, an approach known as *bottom up development* is a more effective means for creating sustainable societies (World Bank, 2001, pp. 1-2). This approach involves the coordination between beneficiaries, non-profits, stakeholders, and the local people. ‘Bottom up development’ as a strategy strives for decentralization of power, and the training and education of the local community, in order to make them self-sufficient and not reliant upon external forces (ibid.). It has been noted that although the “process is laborious, participatory planning and implementation enable the community to become involved in common concerns and result in a sense of ownership for beneficiaries and other stakeholders” (ibid, p. 2).

### 2.4 Corporate image

Corporate image is the fourth theoretical pillar of this research project, employed to illustrate how corporate image is influenced from stakeholders, as actors involved in the process. Hence, it has been observed according to Christensen and Askegaard (2001, p. 292) that as corporations approach the twenty-first century, increasing attention is directed towards the notion of corporate image. Even though various authors claim that the society is already saturated in regard to images (ibid.), Christensen and Cheney (as cited in Christensen & Askegaard, 2001, p. 292), point out that “scholars within marketing and organization are arguing that the quest for visibility and credibility in a cluttered and sometimes hostile environment has made the questions of identity and image salient issues for organizations in most sectors of society”. Therefore, there is an increasing pressure over companies to incorporate symbolic dimensions unrelated to economic factors into their strategies (ibid.).

Despite the considerable importance of corporate image as a concept, there is a lack of well-defined terminology upon which authors have agreed. According to LeBlanc and Nguyen (1996, p. 31) the corporate image concept implies two elements: the functional one -related to measureable tangible characteristics- and the emotional element -referring to psychological dimensions-. Building upon the same foundation, Van Rekom (1997, p. 411), further states that while corporate identity is related to the organization itself, corporate image as a notion is directly referring to all the involved stakeholders’ perceptions, beliefs and ideas.
Furthermore, Selame and Selame (as cited in Abratt, 1989 p. 66) define corporate image as the “composition of all planned and unplanned verbal and visual elements that emanate from the corporate body and leave an impression on the observer”. On this note, the internal environment, and more specifically the employees’ perception of the corporation, according to Kennedy (1977, pp.121-123) comes as a decisive factor when evaluating the image. Additionally, Bromley (2001, p. 325) claims that the image is an expression of both corporate personality and identity; thus, it can be better managed through coordination of external and internal communications. Finally, the importance of maintaining a positive corporate image is further emphasized by Abratt (1989, p. 63) who points out that companies need to redirect their communications in order to reach, affect and position themselves towards the involved stakeholders.

However, it is of great importance according to Abratt (1989) to clearly distinguish the concept of image from those of personality and identity:

It is clear that three concepts, personality, identity and image must be clarified.
There is an obvious relationship between them. Every company has a personality, which is defined as the sum total of the characteristics of the organization. These characteristics—behavioral and intellectual—serve to distinguish one organization from another. This personality is projected by means of conscious cues which constitute an identity. The overall impression formed by these cues in the minds of audiences constitutes an image (p. 67).

Therefore, personality is pre-determined by the company by defining its objectives and beliefs (ibid.). Based on the previously defined dimension of personality, companies additionally build their identity according to Abratt (1989) on visual cues being physical or behavioral. These cues contribute to a company’s recognition, and serve to further distinguish it from other actors in the market; wherein familiarity breeds favorability. Corporate image is thus closely related to various stakeholders’ perceptions beginning with the company’s employees, and based upon their experience and observations (ibid., p. 68).

Hence, in order to fully address the concept of corporate image, both internal and external environments are taken into account. This is realized by referring to the definition mentioned by James G. Grey Jr. (as cited in Fatt et al., 2000, p. 28) “Corporate image is the composite of the perceptions and attitudes of the internal and external public of a corporation. Internal
publics include managers, employees and investors. External publics include the community, consumers, government and the media." (see Figure. 4)

On this note, Kennedy (1977, p. 123) shares the same belief by relating the internal environment of the company to its employees. Perception of the company as claimed by Fatt et al. (2000, p. 29) can both influence the employees’ behavior within the organization, along with their actions outside the company.

![Corporate Image Concept](image)

**Figure 4:** Corporate image concept reflecting both internal and external environment.

This image contributes to a sense of self and the way in which others judge them. The image is furthermore important to attract investors and enhance the public perception which both belongs to the external environment. In this regard, Fatt et al. (2000) states:

Innovation and creativity may not be sufficient to guarantee the success of a company in the twenty-first century. There is an increasing emphasis on whether a company is a trusted member of the community and a good global citizen. Social responsibility is seen as a result between the outcomes of corporate behavior and the norms, values and performance expectations held in a larger social system (pp. 30-31).

Thus, beside economic goals related to profit, a company can also incorporate a philanthropic dimension (educational grants, sponsoring charitable events and conducting community projects) in their strategy (Porter & Kramer, 2002, pp. 9-12) which could further increase the visibility and enhance the future image of the company.
2.5 Conceptual framework

Based on the previous theoretical section, the following part reflects the way in which these concepts are connected in order to fully address the formulated research questions. Therefore, the conceptual framework was designed to provide a cohesive picture of the relationship between the main concepts and their interrelatedness. (see Figure. 5)

Foreign corporations expanding their operations in developing countries are engaged in both social and economic investments. These engagements directly affect the living standards of the host country and in turn, the corporate image. These investments can result in the creation of infrastructure such as roads, railways, ports and such. In addition to the aforementioned, corporate spin-offs are important initiatives in regard to developmental investments made by the corporation to the host country. Therefore, the initiatives made solely based upon corporations’ perceptions of community needs, or those which simply comply with the host country’ regulations are being referred to as top-down development.

Furthermore, non-profit organizations are positioned as intermediaries between the foreign corporation and the local community. As pointed out by London and Hart (2004, pp. 351-352) societal initiatives have recently experienced an increased recognition by corporations when considering a different approach towards less developed markets. Accordingly, as previously mentioned marketing decisions based on societal aspects take into account three basic elements: societal welfare, company profits and consumer satisfaction. As consumer satisfaction and company profits are not the focus of this research project, only societal welfare is taken into consideration and is further elaborated upon. On this note, societal welfare is presented through developmental initiatives implemented by non-profit organizations operating in developing countries.

Considering the features of developing markets’, Silverthorne (2007, p. 1) suggests that corporations should approach these markets by strengthening their bottom-up development strategies. In this regard, Leitch and Davenport (2011, p. 1502) believe that local non-profit organizations represents an effective way of better accomplishing these objectives. Indeed, being credible, locally established, and aware of cultural requirements, these organizations can better understand, enhance, and translate community needs into proper societal initiatives. Based on the aforementioned attributes, non-profit organizations thus serve as intermediaries in implementing developmental initiatives consisting of building local capacities, providing training and education and further involving the community into the development process. (see Figure. 5)
Hence, the corporations’ approach which initiates development through non-profit organizations (based upon community needs) is being regarded as bottom-up development. Therefore, for the purpose of this study non-profit organizations are considered as channels utilized to implement societal initiatives which affect corporate image within the aforementioned markets.

Stakeholders, being those pertaining to the external and internal environment are also important actors in this context. As previously mentioned successfully implemented societal
initiatives further contribute in positively shaping such stakeholders’ perceptions concerning corporations. Regarding the internal environment, employees feel proud and relate themselves to the image of the company. Furthermore, investors such as international contributors are more apt to financially donate to local non-for-profit organizations engaged in reducing poverty and educating societies in these countries. Likewise, in the external environment the community, the government and the media play a crucial role in providing feedback and increasing awareness of the corporation in regards to both national and international image. As media are one of the core means of communication, they could have a greater impact on governments’ decisions in providing facilities for companies operating in their respective countries.

Finally, the aforementioned actors constitute elements considered crucial for the composition of the overall corporate image. Hence, developing countries serve as a favorable contextual background for societal marketing as a strategy, where actors such as corporations, non-profit organizations and stakeholders are interrelated and mutually contribute to enhancement of corporate image.
3. Methodology

The following chapter entails a comprehensive overview of the methodological processes used to gather the primary and secondary sources for this research project. It further includes a selection of topic, research design, a literature review, empirical secondary findings, primary data, research considerations, and data analysis.

3.1 Selection of topic

The topic was selected as both authors of the thesis had contrasting interests regarding the subject. The first author had previously obtained a degree in Political Science and was enthusiastic about political systems, and how they could be affected by different marketing strategies. The second author had been living abroad in a developing country, and was keen to study the effects of societal marketing applied in this context. Liberia was an especially interesting setting given its political history, and social conditions, and Sweden provided an appealing base due to their social welfare morale. Given the backgrounds of the two authors, each had a unique viewpoint throughout the project, which ultimately contributed to a more dynamic approach to the research.

3.2 Research strategy and design

Research projects as various authors claim (Bryman & Bell, 2007, p. 28; Fisher, 2007, pp. 152-188; Ghauri & Cateora, 2010, p. 155) can be conducted through quantitative and qualitative methods. Qualitative research according to Bryman and Bell (2007, p. 28), mainly emphasizes an “inductive approach to the relationship between the theory and research in which the emphasis is placed on the generation of theories”. In this regard, this project is designed to follow a qualitative approach as it strives to derive theories from the data collected from a specific case study. In turn, cases are used to gain insight into a subject (Piekkari & Welsh, 2004, p.109), management situation or new theory. Case studies are a preferred approach according to Yin (as cited in Piekkari & Welsh, 2004, p.110) as to “how” and “why” questions are to be answered, or when the researcher has limited control over a phenomenon in a real-life context. Hence, to better answer the formulated research questions, LAMCO is used as a case study to address questions such as: "why corporations have an exploitative image, despite their societal initiative efforts, in developing countries" and "how can societal marketing be used to overcome this image". By trying to answer these posed questions, the chosen case study provides insight on how LAMCO managed their image within a national and international context.
According to Piekkari and Welsh (2004, p. 111), case studies have the potential of providing a deeper understanding of the phenomenon being researched, due to a longitudinal approach. In this regard, given the historical context upon which societal initiatives employed by LAMCO are being studied, it is possible to conduct a study over an extended period of time. This case follows as LAMCO first established operations in Liberia in the mid-1950’s, and then is briefly contrasted with the newly constructed company of ArcelorMittal. In addition to the historical material used to study LAMCO, the research project differs from a historical review, as direct contact and interaction was made with employees from the company. Another advantage according to Yin (as cited Piekkari & Welsh, 2004) of using a case study in a research project is its contextually:

In business studies case research is particularly useful when the phenomenon under investigation is difficult to study outside its natural setting – as typically occurs in international business research, since researchers are often studying the impact of different national contexts (pp. 111-112).

Furthermore, an added advantage of using LAMCO is the opportunity of a unique approach by studying the case from a marketing perspective, rather than in a political or social context. Being holistic in nature (Ghauri & Firth, 2009, p. 31), case studies allow the exploration of a phenomenon from a variety of viewpoints. By considering LAMCO as a case study, it is possible to address the research project from different viewpoints based on nationally and internationally involved stakeholders, such as Liberian society, Liberian and Swedish governments, Swedish media, LAMCO’s employees and non-profit organizations engaged during the time.

Case studies are appropriate (ibid., p. 32) when addressing a question or explaining a theory related to a unique case which represents an “outstanding success” or “notable failure”. Hence, LAMCO was chosen as a case study due to its outstanding example of how societal marketing can effectively enhance corporate image in developing countries.

Finally, availability of different sources of information leads to an inductive approach and provides insight and explanation on very specific elements relevant to be applied within future contexts.

3.3 Literature review

The literature review as described by Bryman and Bell (2011, p. 91) serves to demonstrate the existing literature regarding relevant concept and theories, and any inconsistencies which may have been found. This is imperative for demonstrating the individual aspects of
the research to be conducted. The review performed for this research project employed a qualitative systematic approach, and was selected to ensure thoroughness regarding the subject thus reducing biases (ibid., p. 94). The initial objectives were set by the researchers to address the following questions:

1. What factors constitute the development of a country?
2. What is the nature of societal marketing and how is it applied?
3. How do non-profit organizations function in the creation of social initiatives?
4. What elements are incorporated into the image of a corporation?

The process began by utilizing the scientific databases provided through the university. Searches were performed using databases such as: ABI/Global Inform, Econ Papers, Emerald, Discovery, JSTOR and Google Scholar. The articles selected were based upon scientific merit, peer reviews and additionally the source of publication was considered. The articles were further located by using the following keywords:

Country development* Economic indicators*
Societal marketing* Corporate responsibility* Societal welfare*
Non-profit organizations* Developing countries* Social initiatives*
Corporate image* Corporate identity* Corporate personality*

These keywords were then combined into Boolean operators to further narrow the amount of relevant information through filters. Strings of words were then entered into the databases with the addition of (AND, OR), as illustrated below:

Country development* AND Economic indicators*
Societal marketing* AND Corporate image* OR Societal welfare*
Corporate responsibility* AND Non-profit organizations* OR Social initiatives*
Corporate image* AND Social initiatives* AND Stakeholders*
Corporate image* OR Corporate identity* OR Corporate personality*
The concepts researched were divided in accordance with the conceptual framework.

- **Developing countries**
  The first concept of country development was extensively researched through various classifications from the World Bank, IMF, and the UNDP to gather a collective contextual understanding of Liberia. In addition, a book written by the winner of the Nobel Prize in economics, Amartya Sen, was considered, as well as a book by Irma Adelman and Cynthia Morris to understand socio-cultural and economic variables.

- **Societal Marketing**
  The concept of societal marketing was explored by considering Kotler’s theories who pioneered the concept during the 1960’s. Additional literature was then examined to follow the evolution of the concept, and how it has progressed. Further authors were considered to gain a dynamic perspective of the concept, which was then contrasted against Crane and Desmond (2002) who discuss how corporations impose their own perceptions of societal welfare rather than catering to the needs of the local society.

- **Non-profit organizations**
  The third concept researched was non-profit organizations. This concept was approached by researching the main responsibilities of these organizations in less developed countries. Then the research was narrowed to focus on how corporations can collaboratively work together with these organizations and benefit or transfer knowledge to the local societies.

- **Corporate image**
  The final concept in the framework of corporate image was studied by authors such as Christensen & Askegaard (2001) and LeBlanc & Nguyen (1996) and they were further consulted to gain an understanding of the two dimensions of the concept: functional and emotional. Due to the similarity of the concepts personality, identity and image the author Abratt (1989) was considered to provide further insight. Due to this research approach, a holistic understanding of the concept was gained by insight provided by Fatt et al. (2000).

### 3.4 Empirical secondary data collection

As this research project is primarily based upon empirical secondary data, various sources bearing high credibility were considered to gather information. This method was selected by taking into consideration the main benefits of secondary data, and using them to the advantage of the research.
Firstly, this type of data is highly efficient in both cost and time as it provides access to high quality material within a limited period of time (Bryman & Bell, 2011, p. 313). Secondly, this data is often informed by expertise and professional work, and the sources used in analysis are of standard (ibid., p. 314). Lastly, this method presents the opportunity to conduct a secondary analysis based on cross-cultural differences. In this regard, being unable to travel to Liberia to collect data, multiple sources who had conducted primary research in the country were considered.

Through this collection, a set of material such as newspaper archives, corporate and government documents, along with contracts were assembled and then carefully analyzed. These were categorized into three main subjects:

- **Public documents**
  These documents are classified as documents obtained from the state or government, and are a great source of importance for researchers providing both textural material and official reports or contracts (Bryman & Bell 2011, p. 548). These are considered highly valid due to their credibility as official sources, and therefore several public documents were used for this study. Hence, the documents between government officials of Liberia, LAMCO, and the Partnership For Productivity (PFP) were used. The documents PFP 2, PFP 3, and PFP 26 were detailed reports of the initiatives undertaken by the non-profit organization, and thoroughly describe the LAMCO’s involvement, community projects by the PFP, and the results of these activities.

- **Organizational documents**
  Organizational documents are classified as annual reports, mission statements, reports to shareholders, transcripts by executives, or press releases. These documents are retrospective in nature, and naturally occurring, and are of great importance in the research of case studies of organizations (ibid., p. 550). The primary sources were publications produced by the company during operations in the form of the “LAMCO newspaper” (1964-1982), the ‘LAMCO Joint Venture Brochure’ (GIM, 1978) published by Gränges International Mining Company, and the document PFP 9- an official letter between the deputy minister of agriculture, Jenkins Baker, and the general manager, Hans Astrand.

- **Mass media documents**
  Mass media documents, on the other hand, occur in the form of external newspapers, magazines, and television programs. Due to the limited availability, the mass media produced during the time were newspapers and a documentary titled ‘Black Week in Nimba’
Due to Liberian media censorship, there were no forms of mass media documents produced in the country. These documents were considered for both reliability and credibility of sources, and distortion was also taken into account (ibid.).

3.5 Primary data

Case studies as a qualitative research method are vastly being used according to Sinkovics et al. (2008, p. 691) to conduct research projects within the international business field. This method as Piekkari and Welsh (2004, p.111) believe provides an excellent opportunity for researchers to gain a thorough insight by asking questions until they obtain sufficient answers and interpretations. On this note: “in-depth interviews are particularly suitable when a researcher wants to understand the behavior of decision-makers in different cultures” (ibid.). Therefore, the data collected by using empirical secondary sources is further enriched and compared to the information collected by performing primary research which is based on in-depth interviews (see Figure 6).

Aiming for different viewpoints the interviews were categorized in four main divisions. The first division is used to gain insight on the Swedish perspective; thus an interview was conducted with Mr. Bernt Karlsson who is LAMCO’s former Community Intendant of Yekepa back in 1960’s. Holding the position of Community Intendant, Mr. Karlsson was of crucial importance to this research project as he was directly involved in many societal initiatives undertaken by LAMCO during its presence in Liberia. Due to his position, Mr. Karlsson had the opportunity to closely observe the nature of the developmental issues within the Yekepa community, and also to gain Liberian insights while understanding the corporation’s prerogatives.

An academic perspective was further gathered by conducting an interview with Mr. Mohammed Latifi, an expert on the subject who traveled on various trips to study and observe the Liberian people, their relation to the operations of LAMCO, and to study network theory in relation to the corporation. Mr. Latifi has made significant contributions to LAMCO’s case by conducting in-depth interviews in Liberia, collecting original documents, and ultimately with his comprehensive doctoral thesis on the subject. His insight was of great value and importance to this study as it provided an objective view of both the community and company’s perspective during the given time.

The third angle was gained through interviews conducted with Mr. Niklas Ulfvebrand, a historian who has been engaged for more than three years on LAMCO’s case and Liberia. He is currently working on publishing a chapter in a book regarding the case. Being involved
in academic research for an extended period, Mr. Ulfvebrand provided clear insight on the chronological events occurring during the time in the political context of both respective countries.

Finally, the fourth perspective consisted in more specific information regarding the youth related initiatives implemented in Liberia. This perspective was gained through an interview with Mr. Orwar Alnesjö, former Executive Director of YMCA (Young Men’s Christian Association), which is a worldwide organization focusing on uniting and empowering young people through self-development and community service. Mr. Alnesjö as an informant was of considerable importance as his contribution enriched this study with a different viewpoint related to organizations LAMCO collaborated with to address community needs. The process of interviewing is structured by following the four phases as described by Boyce and Neale (2006, pp. 4-7).

Figure 6: Process of collecting primary data, adapted from Boyce and Neale (2006)
Planning is the first phase during which the interviewees are identified based on the needed information, and ethical research standards are carefully considered (ibid.). The second phase consists in developing the rules guiding the administration and implementation of the interviews. The third phase is related to data collection, thus summarizing data immediately after the interview and coding it to keep the information relevant and focused to the research project. The final phase represents a thorough analysis of the revised information. Finally, the process of obtaining these interviews greatly enhanced and enriched the secondary material sources.

3.6 Research considerations

The next step preceding the collection of primary and secondary data is the assessment of the research quality. This assessment can be realized by employing the concepts of validity, limitation and research ethics. Therefore, the following chapter is a reflection of the validity, limitations and ethics considered during the research project.

3.6.1 Analyzing data

Analysis of the selected case study was conducted by following up a theoretical preposition (Fisher, 2007, p. 187). Hence, a conceptual framework was developed prior to the data collection stage of the project. This framework was further used as a guide for collecting the research material and as a scheme used to write up the case study.

The theoretical concept of developing countries is connected to the research as a background in order to gain a contextual understanding of Liberia. Books published on the economic growth and social equity in Africa was used to gain a perspective on the conditions of the country during that time, as well numerous sources regarding developmental theory. The theoretical variables such as socio-cultural, economic and political indicators were used to reflect Liberia’s conditions when LAMCO entered the country. This was accomplished by showing how these variables categorically placed Liberia as a developing country (lacking infrastructure, education, sanitary standards, and economic growth) and served as the basis for LAMCO’s latter societal initiatives such as spin-offs and those related to the creation of infrastructure. Furthermore, top down development as a strategy was related to all the initiatives taken by LAMCO to comply with the concessional agreement, and those beyond that (such as spin-offs), which were initiated by the company and based on its perception regarding community needs. These concepts were also substantiated through primary data gathered to have a vast insight on the political context and mentality in which the case occurred.
Following the context of developing countries, the concept of societal marketing as a strategy was further elaborated in accordance to actions taken by LAMCO in response to significant changes occurring in the company’s external environment in Liberia during the late 1960’s. The analysis was performed by relating the theoretical variable of societal welfare with detailed initiatives undertaken by LAMCO to enhance the wellbeing of concession area community during that period of time. The concept of society welfare was presented through LAMCO’s collaboration with the PFP which consisted in education and training, rather than the provision of goods and facilities. The secondary data was collected by studying the PFP documents (local non-profit organization operating at that time in Liberia) and was further contrasted by information provided by primary resources.

As LAMCO conducted its operations in a developing country, theory about non-profit organizations was related to the company through the benefits that LAMCO had from the partnership with PFP in Liberia. Therefore, variables such as building local capacities, providing training and education, and community involvement were presented through societal initiatives undertaken by PFP in Liberia. Furthermore, the above mentioned variables were considered in terms of how the partnership was beneficial to societal welfare, and how the PFP’s local expertise enhanced the community. This approach was directed by the PFP to identify social needs, rather than the company’s perception of what was needed, and is related to the theoretical concept of bottom up development.

Furthermore, the concept of stakeholders with regard to external environment was used to guide and present the data collected concerning the community of the concession area, as well as the Swedish media and the Swedish and Liberian government. Community as part of the external environment was studied by following development achieved via LAMCO’s contributions in education and knowledge transfer process during operations in Liberia. Furthermore, media as a concept was elaborated on by presenting the impact the Swedish media had on shaping Sweden’s perception of LAMCO’s image after the occurred strike. This impact was further followed by Swedish and Liberian governments, and how they positioned themselves in regard to the unexpected occurrence. The Swedish perception was related to the documentary “Svart vecka i Nimba” produced in 1966. This documentary was used for reference concerning the external perception, but carefully considered in the political context of the era.

In addition to the external environment, employees and investors as other stakeholders were used to define the internal environment of a corporation. The concept of employees was presented through the Liberian employees’ conditions leading to the 1960’s strike as well as
the Grängesberg International Mining employees’ actions affected by the new image LAMCO had after the strike. The other stakeholder, investors, were used to analyze the positioning of international contributors in providing aid to the concession area community after the PFP took responsibility of implementing societal initiatives.

In the final step, the theoretical concept – corporate image – was considered as being enhanced by employing societal marketing as a strategy. This was presented by analyzing how societal initiatives applied by LAMCO in conjunction with the PFP and involved stakeholders positively affected the company’s reputation after the strike thus contributed in overcoming the exploitative image. The improved image resulted in smooth operations in the host country and could have resulted in long-term company profits if not for the civil disputes in Liberia, and the global ore crisis.

3.6.2 Validity

The main concerns when it comes to the quality of quantitative research as Sinkovics, Penz, Ghauri (2008), Bryman and Bell (2007, p. 43) state are related to reliability, validity, generalizability and objectivity. However, the applicability of these dimensions is still not clear with regard to qualitative research, therefore the previously mentioned authors believe that a qualitative research should be designed and geared towards trustworthiness encompassing issues such as credibility, dependability, transferability and conformability.

The first concept mentioned by Bryman and Bell, (2007, p. 43) in accessing the validity of qualitative research is credibility, which according to the authors bears a certain similarity with the internal validity used for quantitative research and raises the question: How believable are the findings? In order to better address this dimension of validity, the findings used throughout the research project were obtained through different sources, thus making the research more holistic by discussing each phenomenon from different perspectives. Moreover, the data obtained by the interviews was further enhanced by the official documents published by the company and scientific secondary sources; thus giving ample room for the comparison of information and increasing the believability of the data.

The second dimension concerns transferability, which parallels the external validity in quantitative research and questions if the findings used during the research could be applied in other contexts (ibid.). By using LAMCO as a case study, it was assumed that the findings would apply to extractive industries operating in developing countries which bear the similar characteristics as the ones found in Liberia during the period of study. Even though, the question of whether findings are transferable or not can only be answered by the
researcher’s judgment (Fisher, 2007), it is supposed that by providing a thorough insight on the research material used for the project, the reader can make their own judgments about the transferability.

A third dimension considers dependability, which is similar to reliability used in quantitative research and concerns the likelihood of the findings’ applicability at other times (ibid.). In this regard, this dimension was addressed with obtaining knowledge about the new company of ArcelorMittal (currently present in Liberia) who resumed excavation of the site. Thereby, it could be implied that the findings are applicable over an extended period of time, or with slightly different circumstances as the newly established company has already employed a societal marketing strategy featuring many initiatives similar to those of LAMCO.

Finally, the last dimension is related to conformability which is similar to the concept of objectivity employed when conducting quantitative research and is used to investigate the degree to which researchers’ values affect the research process (ibid.). In order to diminish the possibility of subjective values shaping the findings, the research material was considered from different sources, and thus biases were reduced from exposure to different perspectives. By not imposing subjective views, and looking at the data under objective lenses, the secondary data was obtained from multiple cultures and was compared to primary data to verify sources, and in order to avoid biases in the research.

3.6.3 Limitations

The limitations posed to this research project were in a few main regards. The first being that as a Swedish company was used as the case study and many materials concerning the case were written in Swedish, which were therefore not accessible due to language barriers. The second limitation was the age of the case itself. As the company began operations in Liberia over sixty years ago, the time presented limitations in the amount of interviews able to be conducted from personnel of LAMCO due to elder age of personnel. In addition, the geographical distance between Sweden and Liberia also presented difficulties in contacting the local people of Liberia in order to gain their perspective on the matter. Lastly, the comparisons made between LAMCO and the present company of ArcelorMittal was limited in its breadth as the new company has only resumed excavation of the mine in 2011.

3.6.4 Ethics and research

Along with validity and limitations another important aspect to be taken into account according to Fisher (2007, p. 63) is that of ethical considerations. In this regard, the research project was developed by constantly considering elements such as objectivity and honesty in
presenting the findings, by stating the methods used and limitations encountered during the research. Objectivity was applied by exposing employed concepts to different perspectives, thus trying to reach unbiased conclusions. Data also was collected in an objective way, by having no expectations on what the outcome of the research would be, therefore there is no information knowingly disregarded due to mismatched data. A great attention was paid to cultural objectivity during the primary research data collection since the interviewees belonged to different cultural background. Ethical considerations were further taken into account when collecting primary data from the interviewees as leading questions were strictly avoided, and the authors perceptions were in no way imposed. This allowed for the interviewees to subjectively provide information regarding the subject. Furthermore, personal documents of the interviewees were used based on their agreement. Likewise, interviewees gave informed consent and were aware of being recorded.
4. Empirical data and Analysis

This chapter combines the empirical findings and analysis as the study is structured as a marketing case study, and therefore interweaves these elements to create a narrative and avoid repetition. The chapter is divided according to the theoretical concepts of the conceptual framework, and the analysis is performed by combining the aforementioned with findings.

4.1 Initiatives created under top down development strategy

Beginning in 1820, the colonization of the country began primarily from freed slaves from the United States, who became known as Americo-Liberians, but were met by conflict from the local tribes from the outset (Howell, 2010, pp. 14-15). As described by Adelman (1973), the length and type of colonialism has a direct effect on the development of the country, and the fact that the US was releasing freed slaves resulted in social divides. The tension between the Americo-Liberians and the local tribal societies bred hostility within Liberia. In addition, as noted by Bernt Karlsson in his interview, the tremendous amount of US aid the country received made them dependent on others rather than self-sufficient (2013). Given this background, a social and political background can further serve to better understand the initiatives created within the context of this project.

On this note, in 1926 the American company Firestone began the procurement of rubber. The company claimed their presence created employment and educated people; however, as revealed was far from the truth. The reality of Firestone was marked by forced labor and violence used to quell any uprisings (Hahn, 2013, n.p.). In 1954, Firestone began to import US-subsidized rice as payment for employees, and surpluses were later dumped onto the local market; thus, manipulating prices so that local farmers earned less than a daily wage at the company (ibid.). These facts all demonstrate the exploitative nature of foreign investments in Liberia previous to LAMCO, and the reservations held by the people when they first entered as affirmed by Bernt Karlsson (2013).

Given this, the “Open Door Policy” adopted in 1944 under President William Tubman was created to stimulate the economy. This policy essentially guaranteed foreign enterprises the freedom to remit earnings without heavy restriction. Thereupon, during the 1950’s and 1960’s the Liberian GNP grew to one of the highest in the world with an annual rate of 12% (Mehmet, 1978, p. 126). These progressive policies resulted in the transformation of the national economy by capitalizing upon the abundance of natural resources, and set the stage for foreign investment. In Tubman’s second inaugural address he described how
Liberians were not capable or competent to “explore and exploit the potential resources of the country,” and therefore would “continue to guarantee the protection to investors and concessionaries of all investments and concessions on the basis of mutuality” (ibid., pp. 127-128). Although Liberia was rich in resources, the local people did not have the knowledge or technologies to extract and process them.

When the geologist Sandy Clark arrived in 1955 for exploration for the company, the Nimba area consisted of rainforests, dirt paths, and widely scattered villages (GIM, 1978, p. 10). The establishment of LAMCO was an initiative of the government to help open up what was known as the ‘Liberian Hinterland’ (Karlsson, int, 2013). The ‘Hinterland’ was described as “Liberian settlements situated on the coast, and their only links with the interior were military and commercial” (Akingbade, 1994, p. 277). Little attention had been paid to this area by the government and was even less developed than other counterparts of the country (ibid.). The environment as described by Bernt Karlsson (2013) of Yekepa consisted of tribal villages with their own clans and town chiefs. These chiefs had been instructed by the government to cooperate with the company, but later Nimba became a county with their own superintendent (ibid.). Therefore, the local population required comprehensive technical training which was provided by the company (PFP 3, n.d, p. 2). This training, however, was only the beginning of the social initiatives taken by LAMCO.

Nearly 50% of the $275 million LAMCO spent was attributed to social investment in the form of economic and social infrastructure referring to GIM (as cited in Latifi, 2004, p. 105). Additionally, 40% of this was put into the creation of economic infrastructure, which included a port and a port town, 280 km of railway, and mining and port towns. The remaining 10% went to social infrastructure, which consisted of houses, electricity, water purification, sewage treatments and disposal, schools, training centers, hospitals, churches, markets, and recreational facilities (ibid.).

In accordance, three communities were established by LAMCO: Yekepa, Buchanan, and a settlement called “Unification Camp” (Storette, 1971, p. 19). The “Unification Camp” was a community which included 5,000-6,000 people who were for the most part not affiliated with the company. Yekepa was the largest and was compared to a Swedish industrial town as the local government was intent on creating a social welfare society. Housing was considered a very important aspect in their social development initiatives, and even though the houses were unfurnished, the company sold furnishings cost to workers (ibid.). Further, LAMCO was instrumental in stimulating the local economy by providing many jobs for the people. A total of 3,762 employees were of Liberian descent or 85.7% of the total
company workforce (ibid.). Out of these workers, an estimated 90% received vocational training from the company and the LAMCO project has been described as “a gigantic vocational school.” (ibid., p. 23).

Further LAMCO created two separate hospitals which served the needs of the entire local community as discussed by Mohammad Latifi (2013) in his interview. The facilities were free of cost, and of high Swedish quality (Storette, 1971, p. 20). This greatly contributed to improving the health of the local people, and directly contributed to a reduction in infant mortality, and the prevention of numerous parasite related diseases. Additionally, the mental health of the employees of LAMCO was considered by the company employing anthropologists and sociologists to work in the local communities. These professionals assisted the community to cope with the social re-adjustment caused by the rapid transformation (ibid, p. 21).

Moreover, as literacy rates are an essential element in the quest to develop, LAMCO established school buildings for all the children of Yekepa, and when Liberian officials were unable to afford the maintenance, the company assumed full financial responsibility for the operations (ibid., p. 22). The rate of literacy was further enhanced by the company’s initiatives in building school and enrollment from 1950 from a few hundred students increased to 139,000 by 1972 (Mehmet, 1978, p. 127). The training programs also included adult education initiatives to eradicate illiteracy, and as a result literacy rose 20-50% amongst the workers (Storette, 1971, p. 23). Additionally, the Swedish International Development Authority (SIDA) was brought in to create vocational training programs in areas such as mechanics, and electricians (ibid. p. 24). A library was also established, as well as a monthly newspaper, and a radio station (ibid., p. 21).

The company went further to create extracurricular activities which could be utilized by workers and their families. These included company sponsored courses such as woodwork, weaving, music appreciation, ceramics, jewelry, and painting, and were available to workers’ wives as well. In Yekepa, a recreational hall was established, and a Worker’s recreation center (which was not run by the company) and included a barber shop, a cafeteria, and an office for the LAMCO workers’ union. Sports clubs were established such as basketball, football, and table tennis (ibid.).

While many foreign corporations allege entering Liberia with the intent of creating jobs and stimulating the economy, in many cases the resources and people were exploited at the expense of earning a profit. This can be seen through the example of Firestone and the poor
conditions imposed on the Liberian people. In contrast to this type of exploitation, the extensive initiatives undertaken by LAMCO highlight the direct effects of development in Liberia by the presence of the company. The economic and social environment created opportunities to implement societal marketing for the benefit of the local society, and the company itself. Thus, under the “Open Door Policy” the growth rate along with its corresponding effects on the country were illustrated. On the basis of mutuality, these foreign investments were believed essential in bridging the economic, social, and political gaps of the country. Tubman’s address provided further evidence of the desire not only to capitalize upon resources, but to also seek foreign assistance in the transformation of Liberia. According to the indicators discussed by Adelman and Morris (1973) the country was underdeveloped in many ways, but the presence of LAMCO in Liberia greatly contributed to economic growth, literacy, technical training, reduced infant mortality, disease, and stability.

In 1966 a crew was sent to Liberia by Svergies Radio to document Swedish corporations operating in less developed countries. During this time, a worker’s strike broke out in the Nimba mine, and the crew captured the footage which broadcast on Swedish television (Ulfvebrand, int., 2013). Although the company allowed workers to form unions and hold strikes, this one was illegal as it occurred spontaneously and without leadership, and thus violated union procedures (Latifi, int., 2013; Storette, 1971; Ulfvebrand, int., 2013). The workers cited higher wages, better working conditions, dissatisfaction of housing distribution, and a personal dislike of some of the officers (PFP 2, n.d, p. 3; Storette, 1971, p. 38). The occurrence of the strike led to police and military troops being called in for assistance in order to protect “life and property” after employees resorted to violence and destruction (Storette, 1971, p. 39). The strike was heavily condemned by the Liberian government as they believed unjust demands had been made by the workers (ibid.).

4.2 Spin-offs

As the strike was over, LAMCO realized that initiatives which would provide benefits beyond those described in the concession agreement were becoming a necessity. It was time to demonstrate that the company’s mission exceeded the mere purpose of exploiting the country for profits (Latifi, 2004, p. 106). In this regard, the first initiatives after the strike consisted in teaching the Liberian workers how to organize trade unions and later established one with LAMCO’s representatives as described in the interview with Bernt Karlsson (2013). Furthermore, given the living conditions in the area a nutrition expert was consulted who conducted a thorough investigation about the nourishment of the Liberian
people (Latifi, int., 2013). These initiatives reflected the first steps taken by LAMCO toward a societal marketing strategy. Instead of merely satisfying Liberian employees by addressing their concerns in compliance with Swedish values, or providing food to the community for strictly feeding purposes, LAMCO tried to genuinely understand the needs of Liberians and address them with proper initiatives. On this note, “a guiding principle of the company efforts has been to stimulate Liberian enterprise and back initiatives coming from the employees themselves, so as to make Yekepa a live and active town” (GIM, 1978, p. 13).

Given the situation, in 1969 LAMCO welcomed a new Swedish general manager who was a visionary and a humanitarian, and was highly concerned about Yekepa’s conditions after the ore was exhausted (Latifi, int., 2013). Therefore, “he assigned several LAMCO managers to work out a plan to avoid the possibility of leaving a ‘ghost town’; instead to establish over a twenty-year period a viable economy not based on iron ore” (The Balaton Bulletin, 1985, p. 17). By designing a specific plan, LAMCO directed its actions from societal initiatives which complied with concessional agreement into an incorporated strategy to ensure long-term benefits to the community. Since societal welfare as previously mentioned is one of the societal marketing main features, LAMCO represented a unique case in this field, as it employed societal marketing as a strategy in a time when Kotler (1972) had just recognized the need of this approach.

The initial phase according to Butler (1978, p. 7) of the new strategy was focused in considering the opportunity for “spinning-off” to Liberian ownership and management of all economic activities that were not directly related to mining or iron ore. Hence, enterprises such as a supermarket, bakeries, recreational services, construction firms, furniture repair shops, and a movie house were considered appropriate enterprises which could serve the community as local enterprises (The Balaton Bulletin, 1985, p. 17). Negotiations with entrepreneurs, the consulting process, as well as provisions of start-up capital were all managed directly by LAMCO (PFP 3, n.d, p. 3). This spinning-off approach served as a further contribution to the self-development of the community, guided by self-supporting economic activities which would lead to a viable community once the ore was exhausted (Latifi, 2004, p. 108). Hence, the newly employed strategy shifted the company’s goals from providing goods and facilities, to further educating and transferring knowledge to the community. Therefore, by investing in independent and skillful entrepreneurs who were able to create and manage economic activities to enhance living standards and the country’s future prosperity, LAMCO began its real contribution on the whole society welfare.
However, it soon became clear that the spin-off policy which was supposed to create sound, independent and Liberian owned and managed enterprises did not produce the expected results (Butler, 1978, p. 8). Hence, problems related to poor technical maintenance, inadequate personnel training, as well as organizational difficulties started to emerge (ibid.). The Liberian community was not yet ready to embrace an entirely new culture within such a short period of time (The Balaton Bulletin, 1985, p. 17). Moreover, the perception held by the local community was that of “LAMCO was controlling too large a segment of their society” (PFP 3, n.d, p. 3).

More specifically, it was observed that companies became financially shaky - due to lack of managerial experience, entrepreneurial motivation, technical and accounting skills - as most of the skillful people were employed by LAMCO (Butler, 1978, p. 8). Therefore, it was within this context that LAMCO assisted spin-off enterprises with emergency injections of capital and consultancy believing that the recent accumulation of experience would reduce the start-ups' problems (ibid.). Furthermore, regardless of education and experience, personnel of the company lacked willingness to handle problems which arose, or extend their know how to assist, making spin-offs unable to compete with LAMCO’s experienced departments within the same field. Dependency of the spin-offs increased compared to the time when they operated as LAMCO’s department, due to the company’s continuous assistance in financial and management consultancy. Most of the employees working for LAMCO were reluctant to renounce benefits related to LAMCO’s prestige as a corporation, and likewise did not feel welcomed by other locals as they were perceived to serve LAMCO’s interests rather local enterprises. The process of establishing spin-offs was heavily influenced by Swedish values, and aimed to develop self-reliance within the community without a strong influence exerted by the company itself (ibid., p. 9).

Finally, as previously mentioned societal marketing was criticized in terms of managers’ incapability to decide what was truly best for the local society. The officials of LAMCO were not elected by the populace and therefore would not truly represent local interests. Hence, many of the problems encountered by LAMCO during the spin-offs phase were related to the lack of local knowledge. Due to this lack of awareness, LAMCO referred to Swedish values instead to define Liberians’ needs, thus imposing their standards by providing what was considered necessary by a Swedish perspective, rather than properly addressing community needs. Even though societal initiatives enhanced the community welfare and development to a great extent (housing, hospitals, railways, and roads), Liberians at that time were not ready to perform entrepreneurial activities independently, due to limited education and experience and the rapid industrialization which had occurred. Therefore, by merely providing
assistance in financial and managerial forms did not necessarily lead to complete societal welfare enhancement, as these initiatives did not reflect the society needs.

4.3 Non-profit organizations and bottom up development

Faced with the unexpected consequences of the spin-off policy, it was soon realized that a new direction was needed to effectively address the developmental challenges of the concession area community (Latifi, 2004, p. 109). Moreover, a mining concession shut down during that time leaving a ghost town and 5,000 unemployed Liberians. The government of Liberia did not want this to happen again. Thus, it specified its requirements for the remaining operations, emphasizing the need of an independent economic base apart from extraction of natural sources within the community. The requirements instructed corporations’ to perform changes in order to accommodate more Liberians in managerial and administrative responsibilities (PFP 2, n.d, p. 2). LAMCO’s great magnitude to foster dependency made it even harder for the company to convince the community that development could only begin with individual initiatives, thus any attempt to address the aforementioned issue would only cause more aggravation and mistrust. Hence, a program complimenting local human, material and energy resources while rebuilding peoples’ faith in their own capabilities had to be devised (ibid.). Therefore, in 1973 LAMCO tried a new approach (PFP 26, 1979, p. 4) by limiting its dominant position in the local community and promoting self-reliance in the local society.

On this note, with the direction of its General Manager, LAMCO employed an expert in African enterprise development to examine problems facing spin-offs and design an effective developmental plan (Latifi, 2004, p. 109). As a result, after a year research, it was recommended that a private and experienced agency in advising African entrepreneurs should locate its headquarters in Yekepa within the concession area (Butler, 1978, p. 10). In order to attract international funding, the agency should operate as a non-profit organization and should take over LAMCO’s managerial efforts in creating a viable community after ore depletion (ibid.). Acting as an independent organization rather than a division of LAMCO, it was expected that the local community would react positively towards programs and activities run by an agency which was perceived as neutral (Latifi, 2004, p. 109). This newly adopted approach further clarified LAMCO’s position and its genuine interest in contributing to the long-term community welfare by stimulating entrepreneurship independent from raw resources. As a foreign company, LAMCO, did not have knowledge about locals’ needs, and thus could not properly represent them referring to the aforementioned theories doubting the morality of societal marketing. However, these factors did not affect LAMCO’s efforts in
attempting to gain better insights and expertise on cultural values of the Liberian society. This notes the first successful step of the company towards the enhancement of societal welfare, and therefore, an effective societal marketing strategy. By employing local expertise to study the community, there was an increased awareness of their needs, which LAMCO effectively used to address them by applying a bottom-up strategy.

Hence, after a thorough consideration of non-profit organizations present in Africa, the Partnership for Productivity (PFP) was selected to “design and manage a program of encouragement and assistance to Liberians starting enterprises which could employ the residents and support the concession infrastructure after the iron ore depletes” (GIM, 1978, p. 13). Once established, the PFP’s overall purpose consisted in increasing the income, standards of living, and economic potential of rural and urban areas in Upper Nimba County. This was to be achieved by providing relevant tools designed to enable the community in obtaining lasting benefits as result of LAMCO’s operations by becoming self-sufficient when the iron ore had been exhausted (Latifi, 2004, p. 114). In this regard, LAMCO’s strategy shifted from providing the community with direct financial resources and assistance, to educating the community in order to cultivate development and provide the necessary tools to enhance their future.

The PFP’s involvement in the community development process was of crucial importance. The organization provided financial support (offering savings and loan services) to a high number of small farmers, market women and also small enterprises (forestry, woodworking, auto mechanics, poultry etc.). This achieved the desired results as the agency had a fair understanding of the community, the business methods employed, and the proper know-how to effectively fit with local values in an institutional context (ARIES, 1989, p. 1). By stimulating the development from below, the PFP services reached the poor, and these services were well appreciated by small enterprises and the communities living in the poor rural areas (ibid, p. 2). The PFP’s contribution was also related to economic stability within the area. Unemployment rates had an increasing tendency due to the lack of opportunity in absorbing the high number of people that concession area attracted (PFP 2, n.d, p. 5). On this note, the PFP initiated projects which utilized local material, human and energy resources (such as agriculture extension program) and local craft cooperative. Apart from generating meaningful jobs, these enterprises were hoped to have an impact on increasing local initiatives and rural productivity by finally increasing the utilization of local raw materials and skills (ibid., p. 6). The PFP’s role in this context was to assist people in learning how to run an enterprise, by providing experience on a ‘learning by doing’ basis (ibid., p. 7). Hence, by following a bottom-up development plan, the PFP considered the locals as the main
actors in the process. This was achieved by increasing the self-esteem of the concession area community, which in itself could further enhance the well-being of the society as a whole (Latifi, 2004, p. 115).

Finally, being an African organization and possessing the proper local know-how, expertise and experience in addressing the concession area’s development issues, the PFP was a very successful initiative of LAMCO in meeting the community needs by building local capacities, providing training and education and further involving the community into the development process, thus enhancing welfare. Through the PFP, LAMCO extended its societal initiatives to rural areas, thus reaching even the poorest parts of the community. Accessing this stratum was made possible by the PFP’s comprehensive awareness of local values and culture, and also by its credibility and honorable reputation. Unlike LAMCO’s employees whose mission was related to company interests, the PFP representatives were highly credible and perceived as working for community's development, rather than an organization working for LAMCO. Cooperation with the PFP not only contributed to a deeper knowledge and attention of the host community’s genuine needs, but it also increased the legitimacy of the company's actions as the PFP’s reputation was later shared and transferred to LAMCO.

4.4 Stakeholders and corporate image

The aforementioned development of societal strategies in enhancing community welfare consequently impacted LAMCO’s image throughout the entire period of its operations in Liberia. Although the company possessed a strong international reputation abroad, they were greatly subject to the media as one of the stakeholders highly influencing the image of the company. Subsequently, the footage captured titled “Svart vecka i Nimba” or “Black Week in Nimba” broadcast in Sweden sparked mass debates which strongly violated Swedish values as described in the interview with Niklas Ulfvebrand (2013). The company was portrayed in a highly controversial way given the political environment of Sweden, and depicted a subjective, distorted picture of LAMCO. The film was imbued with a leftist perception of the company which painted them as exploitive capitalists, without truly considering the situation or circumstances of LAMCO according to Niklas Ulfvebrand (2013). Many of the true contributions made in Liberia were overshadowed by the occurrence of the strike. The negative publicity threatened to result in domestic boycotts, and further, to prevent future employees from entering the company (PFP 2, n.d, p. 3). Unlike the Swedish media, there was little evidence about the impact the strike had in the host country due to the censorship of Liberian media during that time (Ulfvebrand, int., 2013). These unexpected occurrences further resulted in a severely tarnished image of LAMCO in Sweden, more so
than in Liberia. In addition to the public opinion, LAMCO’s distorted image highly affected its internal environment, primarily its employees. Hence, from a Swedish perspective, justice, equality, and human rights are highly valued elements; therefore, Swedish employees working for the mother company (Gränges) felt that LAMCO in this respect had underestimated these values.

Furthermore, the Liberian government, as a stakeholder of the external environment, favorably positioned itself towards LAMCO by publicly condemning the actions taken by the employees during the strike as described by Niklas Ulfvebrand (2013). On the other hand, the Swedish government as another involved stakeholder of the external environment channeled its concern by appointing highly qualified experts to assess the situation in Liberia (ibid.). Hence, representatives of the Swedish Mine Workers Union and International Labor Organizations (ILO) experts were sent to Liberia to provide guidance in establishing a functional trade union and taught Liberians how to properly organize themselves and utilize the union as mentioned by Bernt Karlsson (2013). This initiative was not included in the concessional agreement, and thus was perceived very positively due to the engagement beyond official requirements (ibid.).

Even though significant contributions were made, LAMCO’s initiatives were still not sufficient enough to enhance the perceived exploitative image of the company. Consequently, LAMCO began additional societal initiatives embodied in the ‘spin-off’ strategy. This further engagement moderately improved the company’s image in Sweden, but still did not provide the anticipated results as the strategy was still seen as serving the company’s interests rather than community development. However, by increasing investments in socially oriented activities and programs, LAMCO was seen as “shielding itself against some of the adverse criticism, which invariably surrounds an industrialized corporation doing business in a developing country” (Storette, 1971, p. 79). These activities further served to defend LAMCO in light of the accusations of conducting commercial operations in a developing country, thus making the company less blameworthy and further contributing to its reputation (ibid.).

Furthermore, being aware of the locals’ perceptions in regard to spin-off activities and realizing its inability to properly address community developmental issues, LAMCO modified its approach by established a partnership with PFP. This initiative benefited the company by strengthening its image of being more open and socially aware compared with other actors operating in within similar industries in Liberia as mentioned in the interview with Orwar Alnesjö (2013). LAMCO was already perceived as providing significant contributions to the community, and the partnership with PFP further enhanced the company’s image as LAMCO became to be seen as a ‘good company that cares for people’ (ibid.). Hence, by shifting
their approach from providing immediate solutions based on their international expertise, now the community was directly involved in the process through the PFP; this consequently affected locals’ perceptions, who were one of the most valuable stakeholders of the external environment with regard to influencing the corporate image. The aforementioned involvement is evidenced by the community as expectations began shifting away from ‘Let LAMCO do it’ to ‘Let’s do it together with PFP’. Finally, it was this improved communal perception which made LAMCO one of the major employer service providers in the concession area (Latifi, 2004, p. 178).

Being a non-profitable organization catering to Africa’s socio-economic development, the PFP in collaboration with LAMCO attracted at least $700,000 in international aid for community development projects (The Balaton Bulletin, 1985, p. 17). This was used specifically to enhance development through educational, training initiatives and knowledge transfer, therefore the optimal management of this aid further contributed to LAMCO’s positive image in an international context. Considering them as imperative stakeholders in regard to the internal environment, LAMCO, successfully enhanced collaboration with international donators’ which further improved company’s humanitarian image, thereby increasing the aid provided to PFP for developmental purposes.

Finally, according to Storette (1971, p. 82) industrialized companies employ three different attitudes: ideological right, moderate liberal philosophy and ideological left in approaching commercial operations in developing countries. The ideological right approach consists of corporations engaging themselves in required commercial operations (basic concession agreement requirements), thus leaving most of the social investment considerations unattained. Hence, the host country benefits from the extraction of their natural resources which would have been impossible if corporations did not enter. Contrarily, the moderate-liberal philosophy emphasizes the -do more- for people, the society and the country where the operations are being conducted making this approach more oriented towards societal welfare (ibid.).

Hence, based on the previous statement, LAMCO’s approach in enhancing its image shifted from an ideological right attitude, when the community benefited from commercial operations (infrastructure, hospitals, schools), to a moderate-liberal attitude when LAMCO effectively addressed locals’ need by collaborating with the PFP. This socially oriented approach further shaped both internal and external environment perceptions thus addressing “Gränges further substantiated intention to see LAMCO evolve into a long-term project” (ibid., p. 81) and positioned the company as contributing beyond primarily profits.
4.4.1 Present continuation

In 2011 as a continuation of the concession agreement entered by LAMCO a new company, ArcelorMittal, resumed excavation of the area. The company has begun construction of the creation of social infrastructure, such as housing for employees, a school, and a hospital (Kramer, 2011, p. 2). However, the project has been scrutinized by a number of international advocacy groups who claimed the terms were deemed unfair to the Liberian people; shortly after President Johnson re-negotiated a new contract (Liberian Observer, 2010, p. 1). The Global Witness Group criticized the company for the exploitive nature of the deal, and accused them of setting up a “state-within-a-state” (Carmody, 2011, p. 100). Local perceptions of the new company have been further explored by researchers from ‘Columbia University’s Center for International Conflict Resolution’ who claimed ArcelorMittal is perceived by locals to be less attentive to their needs than LAMCO (Liberian observer, 2010, p. 1). According to the Liberian Observer, LAMCO is still fondly remembered by residents within its former area of operation (ibid.). Considering the above stated factors, Liberians hold the new company to higher standards because of the LAMCO legacy.
5. Conclusions

This chapter summarizes all conclusions drawn throughout the project and seeks to answer the original research questions of:

- Do the required social initiatives according to concession agreements within the extractive industry genuinely enhance the host country’s societal welfare?

- Can societal marketing as a strategy be used by corporations to overcome exploitative perceptions, and ultimately enhance their corporate image?

Finally, recommendations are made for future marketers and further research.

In light of all these factors, Liberia possessed a wealth of ore, but presented the company with challenging and complex social conditions. In many ways, the company was not prepared with the necessary resources and knowledge to properly overcome these. Further, the social tensions between the Amerco-Liberians and the local tribes presented a difficult environment for the local work force and employees of the company.

In terms of the political context of the country, before LAMCO’s arrival, Liberia’s past exploitation of their resources and people presented negative perceptions of foreign corporations which had to be overcome. Given the environment of Liberia when exploration began in 1955, vast infrastructure was needed in the concession area. LAMCO heavily invested in such social and economic initiatives, and the impact of development was evident through factors such as: decreased infant mortality rate, the increased rate of literacy, access to proper sanitation, reduction of disease, and improved living conditions. These initial developments primarily occurred under the stipulations agreed upon in the concession agreement. However, this top-down strategy largely imposed the Swedish model upon the people without truly identifying local needs. These factors contributed to a growing dissatisfaction among the Liberians which eventually led to the worker’s strike in 1966.

Hence, faced with a distorted image after the strike, LAMCO adopted two different approaches in its efforts to overcome the image of being merely exploitative, and to further enhance the societal welfare of the concession area community.

Firstly, LAMCO channeled their efforts through the spin-off strategy by providing necessary financial resources and assistance to develop local enterprises. Even though these initiatives possessed a more educational character than the top-down approach, by the involvement of a higher knowledge-transfer process, they failed to provide the expected results. Instead of becoming more independent, the locals increased their dependency on LAMCO as the company continuously assisted spin-offs with tangible (financial) and intangible (know-how
and experience) resources each time a problem arose. Although valuable contributions were made to improve the community's living conditions, these societal initiatives did not fully enhance the locals' satisfaction. LAMCO representatives assigned to work with the community were still perceived as serving company interests rather than those of the Liberians. Hence, the top-down development followed during this time failed to result in self-sufficiency; thus locals were unable to apply their acquired entrepreneurial skills to independently manage their own economic activities. However, the spin-offs did serve as a strong foundation to the latter bottom-up strategy.

Secondly, given the dependency created by spin-offs, it was realized that the applied Swedish model was more of an imposition rather a means to serve entrepreneurial skills and build confidence. In truth, the Liberians were not ready to absorb the advanced knowledge provided by LAMCO, and in order to better understand and effectively address the genuine needs of the locals, LAMCO created a partnership with the PFP. As a local organization, the PFP possessed the proper expertise and knowledge in order to identify and successfully enhance community related developmental issues. The organization accordingly provided knowledge, education and assistance with the locals' level of development, which later was reflected in contributing to their self-sufficiency. Furthermore, this project resulted in the successful allocation of funds, and was able to expand projects to more rural areas; therefore, decreasing some of the existing rural-urban divides. In this regard, locals were more inclined to collaboratively cooperate with the PFP, as they perceived it to be more credible in acknowledging community needs. Furthermore, by following the bottom-up strategy locals were now considered as valued members in the developmental process, in turn increasing their self-esteem. These factors were considered essential elements in order to create a viable social and economic environment after LAMCO's project had ended. The concession area community was considered highly capable of applying the acquired knowledge from these initiatives to continue the established entrepreneurship into the future.

Finally, considering the lack of economic and social infrastructure of developing countries, the findings revealed that initiatives by extractive industries such as: roads railways, ports, schools, hospitals, etc. indeed comply with concessional agreements, but are not truly sufficient in enhancing societal welfare. Based on a top-down development approach, these initiatives create benefits mainly limited to the period of the extractive operations. By considering both the theory and findings of this project, it was realized that true societal welfare as the main concept of societal marketing can only be achieved by properly identifying and then addressing locals’ genuine needs.
This process must involve corporations’ careful consideration of these needs without imposing their own values or standards upon the host country. In this regard, by implementing a bottom-up approach to development is of crucial importance to ensure locals ability to be self-sufficient after the raw resources are exhausted and the corporation leaves. It is only in this perspective that societal marketing as a strategy can assist companies in their efforts to overcome these exploitative perceptions, thus enhancing their image as previously shown in the findings and analyses chapter.
6. Recommendations

This final chapter consists of practical recommendations gathered throughout the project and is divided into two sections: recommendations for marketers and recommendations for further future research.

6.1 Recommendations for marketers:

This research project highlights the need for companies in the extractive industry to proactively create strategies in regard to the specific environment of their host country. In order to avoid an imposition of one’s own values upon the host country, it is extremely beneficial to marketers to seek professional assistance from an independent organization who understands local needs and values. By utilizing a bottom-up strategy through societal marketing, marketers could lead the corporation to save both time and money, and the local society benefits with lasting results.

6.2 Recommendations for further research:

Further recommendations for a follow-up case study would be relevant to consider using the new ArcelorMittal resumed excavation of the mine. This study could compare the initiatives first undertaken by LAMCO and contrast those currently employed by the new company. As this research was primarily limited to the extractive industry, further research could be conducted to see if this framework is applicable to other industries as well. A follow-up case study which explored the true Liberian perspective of these initiatives would also be valuable, as this research project was limited to a Swedish marketing perspective. Finally, as previous societal marketing studies have focused primarily on cause related marketing and effects of corporate image, further would greatly enhance the field.
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Appendix

Appendix A: Historical background: Liberia

Liberia, or officially known today as the Republic of Liberia is a country located in West Africa and is neighbored by Guinea to the north, Côte d'Ivoire to its east, and Sierra Leone to the west. The country covers a total area of 96,320 square kilometers, and has a population of 3.9 million. Although English is the official language, Liberia also has more than thirty indigenous languages also spoken. Liberia is considered only one of two modern countries in Sub-Saharan African without European colonization roots (World Fact Book, 2013).

![Map of Liberia](image)

Figure 1: Map of Liberia, Wikipedia

Beginning in 1820, the colonization of the country began primarily from freed slaves from the United States, who became known as known as Americo-Liberians. With the assistance of the American Colonization Society, who believed these slaves would experience greater equality and freedom in Africa, a new country was founded in 1847. The Republic of Liberia was based upon the model of the US and contained both a constitution and a Declaration of
Independence. The country continued to progress during this time, and the president William Tubman (1944-1971) encouraged foreign investment, and bridging the economic, social, and political gaps in the country (BBC, 2010). However in 1980, a military coup brought in a decade of serve authoritarian rule, and the country fell into a civil war lasting until 2003 when the country entered into peace agreements. Liberia held democratic elections beginning in 2005 and elected President Ellen Johnson, who won subsequent elections in 2011. The country is currently striving to rebuild the economy that has been ravished after the years of civil unrest (World Fact Book, 2013).

Appendix B: Political Context of Black 'Week in Nimba'

The program created mass debates in Sweden and was felt to be very controversial. The company came under intense public scrutiny as to whether they were exploiting the Liberian people or aiding them in development (Latifi, 2004). The negative publicity received threatened to result in domestic boycotts, and further, to prevent future employees from entering the company (2004). Following the airing of “Black Week in Nimba” a book titled “LAMCO’s Liberia” was published in 1968 by two Swedish authors who belonged to a group of Marxist-Leninist oriented philosophers. These debates and the publication of the book resulted in a tarnished image for the company. The company was portrayed in a highly controversial way given the political environment of the Sweden, and depicted a subjective, distorted picture of LAMCO.

The film was imbued with a leftist perception of the company which painted them as exploitive capitalists, without truly considering the situation or circumstances of LAMCO (NF). Many of the true contributions made in Liberia were overshadowed by the occurrence of the strike. The negative publicity threatened to result in domestic boycotts, and further, to prevent future employees from entering the company (PFP 2, n.d, p. 3). All of these factors resulted in a severely tarnished image of the company, and threatened to result in domestic boycotts, and discourage potential employees from joining (ibid.). These negative effects damaged LAMCO’s image more in Sweden than in Liberia, and this distorted image shaped the perceptions of the stakeholders. Hence, the internal image of the company suffered from the negative perceptions. From a Swedish perspective, justice, equality, and human rights are highly valued; therefore, Swedish employees working for the mother company (Gränges) felt that LAMCO in this respect had not represented these values.
Appendix C: Company Structure

“In 1953 The Liberian-American-Minerals Company was entered a seventy year concession agreement for ore exploration granted by the Liberian government. The following year, a group of Swedish companies were contacted for exploration of the Putu Range in Liberia, and this led to creating a joint venture with the American steel company, Bethlehem Steel. The venture renamed itself as the Liberian-American-Swedish Minerals Company, or to be known as LAMCO in 1955. (It is believed that Bethel Steel chose to go into joint partnership with a Swedish firm in the hopes that this would improve the image of the company as they excavated the region.) The ownership of the new company was comprised of Bethlehem Steel owning 20% of the project, and guaranteed 25% of the financing, with the remaining 75% shared equally by the Liberian government and LAMCO (check validity). By 1960, LAMCO had begun to construct a railway system, a harbor, and (maintenance works in Nimba)” (Kraaij, van der F. P. M., 1983, n.p).

Figure 2: LAMCO’s joint venture organization
Appendix D: PFP Documents

PFP document are reports published by Partnership for Productivity, the non-profit local organization which assisted LAMCO during its operations in Liberia

- PFP 3: Partnership for Productivity- A new approach to Education and Training in Third World (undated)
- PFP 2: David and Goliath- The Development Dilemma (undated)

Appendix E: Examples of Interview Topics

- An example of the topics of an interview with a historian:
  1. What was the social situation like before LAMCO entered Liberia?
  2. What infrastructure was in place?
  3. What was the initial perception of the company by the Liberian community? What about Swedish citizens?
  4. In your opinion, why did the strike occur?
  5. Did the strike altered LAMCO’s perceptions? How did this affected company’s image?

- An example of the topics of an interview sent to Former Community Intendant of Yekepa:
  1. Do you believe the Liberians had preconceptions about foreign investment in their country based upon Firestone’s operations?
  2. What considerations did LAMCO take for the Liberian society both before entering, and when first entering Liberia?
  3. How were these initial considerations received by the local community?
  4. How were these initial considerations received by the local community?
  5. Can you please specifically describe some of the early social initiatives taken by the company regarding social infrastructure which were not stipulated in the concession agreement?

- An example of the topics of an interview sent to Former Executive Director of the YMCA:
  1. What were the societal initiatives undertaken by LAMCO after the strike?
  2. Were these initiatives part of concessional agreement?
3. Do you think Partnership for Productivity’s expertise as a local organization was translated in better understanding the local community’s needs and correctly addressing them?

4. During the spin-off strategy some of the Liberians thought that the Swedish representatives were working on behalf of LAMCO’s interest. Did the presence of PFP change this distorted perception?

5. Was PFP a credible NGO for the community and why?

6. Did LAMCO’s decision to create a partnership with PFP affect their image in a positive way?

An example of the topics of an interview sent to Former Executive Director of the YMCA:

1. Was spin-off strategy part of the concessional agreement?
2. Did this strategy include the part of community not involved with LAMCO?
3. How do you think Liberians liked PFP taking over the implementation of societal initiatives?
4. Was PFP credibility a factor which legitimated LAMCO’s actions? Was its reputation transferred in the company?
5. Did PFP received more financial aid from international organizations from the community compared to the time when LAMCO was in charge of implementing this initiatives?

Appendix F: PFP contribution in Liberia

As stated in PFP 3 (quoted from Latifi, 2004, p. 115) the main duties that PFP was supposed to carry during its mission in LAMCO concession area of operation were:

a. “Render advice, council and assistance to businessman and farmers.

b. Provide technical assistance to promote economic development of any given area.

c. Engage in research relating to all problems concerning enterprise development and productivity.

d. Act as agent and managers in carrying on any business and employ experts to investigate and assist in such activities.

e. Establish education and training centers which are used to promote the objectives of the Foundation.
f. Solicit, receive and maintain funds and real personal properties and employ such funds and properties and income therefrom to further the objects of the Foundation.”